

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

**Seventy-Eighth Session
May 11, 2015**

The meeting of the Subcommittees on Human Services of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Mark Lipparelli at 8:05 a.m. on Monday, May 11, 2015, in Room 3137 of the Legislative Building, Carson City, 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.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

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

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Jeff A. Ferguson, Senior Program Analyst
Leandra Copeland, Program Analyst
Cathy Crocket, Program Analyst
Lona Domenici, Committee Manager

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Emily Cervi, Committee Assistant
Jackie L. Cheney, Committee Secretary

OTHERS PRESENT:

Leah C. Lamborn, C.P.M., Administrative Services Officer, Division of Health Care Financing and Policy, Department of Health and Human Services
Laurie Squartsoff, Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services
Betsy Aiello, MBA, OTR/L, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services
Sandie L. Ruybalid, Chief of Information Services, Division of Health Care Financing and Policy, Department of Health and Human Services
David N. Stewart, Deputy Administrator, Information Systems, Division of Welfare and Supportive Services, Department of Health and Human Services
Steve H. Fisher, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services

Chair Lipparelli:

We will be reviewing and making recommendations on the budgets addressed in the "Human Services Joint Subcommittee Closing List No. 6, May 11, 2015 ([Exhibit C](#)).

Cathy Crocket (Program Analyst):

The Intergovernmental Transfer (IGT) Program is discussed on pages 2 through 8 of [Exhibit C](#).

HUMAN SERVICES

HEALTH CARE FINANCING AND POLICY

HHS-DHCFP - Intergovernmental Transfer Program - Budget Page DHHS-DHCFP-
10 (Volume II)
Budget Account 101-3157

The IGT collects funds from other governmental entities to provide the State share of certain Medicaid expenditures, thereby reducing the need for General Fund appropriations. Funds collected in the IGT budget are transferred to the Medicaid, Nevada Check Up and Administration budgets to provide the State share of supplemental payment programs and related administrative costs. Payments received in excess of the required State match are used to offset General Fund appropriations for other Medicaid expenditures, referred to as the State net benefit.

The first major closing issue in B/A 101-3157 is the Clark County voluntary contribution. Governor Brian Sandoval's recommended budget, as amended by Budget Amendment No. A150633157, for the 2015-2017 biennium includes IGT revenue from Clark County equal to 50 percent of supplemental payments received by non-State governmentally owned or operated hospitals in Clark County. Currently these include the University Medical Center of Southern Nevada (UMC) for the Public Hospital Upper Payment Limit (UPL) programs, the Graduate Medical Education (GME) program and the enhanced Managed Care Organization (MCO) payments related to the traditional Medicaid population, and 15 percent of the enhanced MCO payments received by UMC for the newly eligible Medicaid population.

The Executive Budget, as amended, includes IGT revenue from Clark County totaling \$125.6 million over the 2015-2017 biennium. Of the \$125.6 million, \$88.1 million provides the required State match for the supplemental and enhanced payment programs. Contributions in excess of the required State match are considered voluntary. Voluntary contributions are transferred to the Medicaid budget to offset the General Fund appropriations. The Executive Budget, as amended, includes State net benefit amounting to \$37.5 million over the 2015-2017 biennium from these voluntary contributions. Clark County benefits from participation in these programs by receiving \$290.4 million in additional Medicaid revenues over the 2015-2017 biennium.

On May 5, 2015, the Clark County Commission approved a voluntary contribution contract which reduces the voluntary contribution rate to 47.5 percent of total payments received by UMC for the Public Hospital UPL program, the GME program, the enhanced MCO payments relating to the traditional Medicaid population and 12 percent in fiscal year (FY) 2016 and

13.25 percent in FY 2017 of enhanced MCO payments for the newly eligible expanded Medicaid population. It is unclear whether a negotiated agreement is in place between Clark County and the State. It is also unclear what the State plans to do next considering this contract. If the State accepts the terms of the County, the contract would be presented to the State Board of Examiners for approval. However, the contract is not on the agenda for the May 12, 2015, Board of Examiner's meeting.

Fiscal staff calculates that the decrease in Clark County's voluntary contribution rates would reduce the State net benefit from \$37.5 million to \$29.6 million over the 2015-2017 biennium. This would create a \$7.9 million General Fund shortfall in the Medicaid budget over the 2015-2017 biennium. If the voluntary contribution rate is decreased, there would be no negative impact on Clark County as their revenues of \$290.4 million would remain unchanged over the 2015-2017 biennium.

Do the Subcommittees wish to approve the budget with IGT revenue from Clark County based on 50 percent of supplemental payments and 15 percent of enhanced MCO payments relating to the newly eligible expanded Medicaid population as recommended by the Governor?

Senator Kieckhefer:

I thought there was an agreement to continue the 50/50 match. I suggest recommending this budget be closed at that level.

Assemblywoman Carlton:

I agree with Senator Kieckhefer. What is occurring between the State and County to resolve this issue?

Leah C. Lamborn, C.P.M. (Administrative Services Officer, Division of Health Care Financing and Policy, Department of Health and Human Services):

Clark County has reduced the voluntary contribution rate in our draft contract from 50 percent to 47.5 percent match. We are at a standstill awaiting further discussions with Clark County. Our options are to either sign the contract with the reduced amount in voluntary contributions or not sign the contract and unravel the UPL, MCO and GME programs. If we sign the contract at the reduced rate, there would be a \$7.9 million loss to the General Fund and

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Clark County would lose nothing. If we do not sign the contract and dismantle the programs, there would be a shortfall for the 2015-2017 biennium of approximately \$40 million, and Clark County would lose approximately \$180 million in revenue.

Senator Kieckhefer:

In the end, both the State and the County stand to lose a significant amount of money. Consequently, an agreement must be reached. At this point, I am not willing to reduce the match from the 50/50 that I understood was the ongoing agreement.

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE IGT REVENUE FROM CLARK COUNTY IN B/A 101-3157 BASED ON 50 PERCENT OF SUPPLEMENTAL PAYMENTS AND 15 PERCENT OF ENHANCED MCO PAYMENTS RELATING TO THE NEWLY ELIGIBLE MEDICAID POPULATION AS RECOMMENDED BY THE GOVERNOR WITH THE AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The second major closing item described on pages 4 and 5 of [Exhibit C](#) concerns the enhanced MCO payment program. At its April 9, 2015 meeting, the Interim Finance Committee (IFC) approved two work programs to implement a new enhanced MCO payment retroactive to January 1, 2014. This provides a means to pay increased reimbursement to safety net medical service providers for targeted services, including inpatient and outpatient hospital services and behavioral health services for Medicaid recipients enrolled in MCOs. Safety net providers are State and local government providers such as UMC and the

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Department of Health and Human Services (DHHS) Division of Public and Behavioral Health (DPBH).

On March 31, 2015, the Governor submitted budget Amendment No. A150633157 continuing the new enhanced payment for the MCOs in the 2015-2017 biennium. The budget amendment includes Clark County IGT revenue of \$15.6 million in FY 2016 and \$16.3 million in FY 2017. Clark County would benefit by receiving \$102.9 million in additional Medicaid reimbursement for services provided by UMC over the 2015-2017 biennium.

The enhanced MCO payments would generate a net benefit for the State amounting to \$4.8 million in FY 2016 and \$4.6 million in FY 2017. The enhanced MCO payments further benefit the State by providing additional Medicaid reimbursement of \$9.6 million in FY 2016 and \$9.5 million in FY 2017 for outpatient behavioral health services provided by the DPBH. The Agency does not have direct control of payments made by the MCOs to providers and accordingly the payments to UMC and the DPBH. If the payments to UMC are lower than anticipated, the State net benefit could be lower. If payments to the DPBH are lower than anticipated, a budget shortfall could occur. The DPBH indicates it maintains close contact with its safety net providers to ensure they are generating revenues as expected.

Do the Subcommittees wish to approve Budget Amendment No. A150633157 and the adjustments noted by Fiscal staff to continue the MCO enhanced payment program approved by the IFC on April 9, 2015, in the 2015-2017 biennium?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE BUDGET AMENDMENT A150633157 TO B/A 101-3157 TO CONTINUE THE MCO ENHANCED PAYMENT PROGRAM APPROVED BY THE IFC ON APRIL 9, 2015, IN THE 2015-2017 BIENNIUM WITH THE ADJUSTMENTS NOTED BY FISCAL STAFF.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The final major closing issue in B/A 101-3157 is continuation of new supplemental payment programs as described on pages 5 and 6 of [Exhibit C](#). The Governor recommends continuing two new UPL supplemental programs, the Private Hospital Collaborative UPL program and the Indigent Accident Fund (IAF) UPL program, that were authorized by the 2013 Legislature and approved by the IFC during the 2013-2015 biennium.

The IAF UPL program provides payments to public and privately owned acute care hospitals for inpatient services. The intent of this program is to preserve access to inpatient hospital services for needy individuals. Participating hospitals are projected to receive supplemental payments of \$31.9 million in FY 2016 and \$32.4 million in FY 2017. This program does not generate a State net benefit.

The second supplemental payment program is the private hospital collaborative UPL program. This program makes supplemental payments for inpatient services to privately owned hospitals that have entered into an agreement with the State or a local government in Nevada to collaborate in providing health care services to low income and needy persons. The Executive Budget projects participating hospitals would receive payments totaling \$4.6 million in FY 2016 and \$4.4 million in FY 2017.

Do the Subcommittees wish to approve the Governor's recommendation to continue the IAF UPL program and the Private Hospital Collaborative UPL program with the technical adjustments noted by Fiscal staff?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION TO CONTINUE THE IAF UPL PROGRAM AND THE PRIVATE HOSPITAL COLLABORATIVE UPL PROGRAM IN B/A 101-3157 WITH THE TECHNICAL ADJUSTMENTS NOTED BY FISCAL STAFF.

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ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Six Other Closing Items in B/A 101-3157 are described on pages 7 and 8 of [Exhibit C](#). Fiscal staff recommends that the Other Closing Items be approved as recommended by the Governor with the noted technical adjustments. Fiscal staff requests authority to make further necessary technical adjustments.

SENATOR SMITH MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE OTHER CLOSING ITEMS FOR B/A 101-3157 WITH THE NOTED TECHNICAL ADJUSTMENTS AND AUTHORITY FOR FISCAL STAFF TO MAKE ADDITIONAL TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The DHHS Division of Health Care Financing and Policy (DHCFP) administration account, B/A 101-3158, begins on page 9 of [Exhibit C](#). This budget account provides administrative staff and support services for the DHCFP.

HHS-DHCFP - Administration — Budget Page DHHS-DHCFP-13 (Volume II)
Budget Account 101-3158

There are three major closing issues in B/A 101-3158. The first issue, on page 11 of [Exhibit C](#), is staffing increases. The Governor recommends \$2.2 million, which includes \$1.1 million in General Fund appropriation, in FY 2016, and \$2.7 million, which includes \$1.3 million in General Fund appropriation, in FY 2017 to fund 41 new positions and associated operating costs. These 41 positions represent a 15 percent increase from the approved staffing level for the current biennium.

Of the 41 new positions, DHCFP indicates 31 positions are required to address federal mandates. The federal government mandates the Agency to carry out certain activities, but it does not dictate how many positions are required to carry out these activities. The remaining ten positions are considered discretionary. Fiscal staff asked the Agency to prioritize the 41 new positions, and the Agency provided a list that prioritized both the new positions and associated decision units shown in "Attachment A, Division of Health Care Financing and Policy New Position Prioritization" ([Exhibit D](#)).

The Agency ranked the ten discretionary positions as its lowest priority. All new positions are recommended to start October 1, 2015.

Decision unit M-506 of B/A 101-3158, page 12 of [Exhibit C](#), requests three new business process management staff. These are ranked priorities 1, 2 and 18 on [Exhibit D](#) to support the Patient Protection and Affordable Care Act (ACA) related workload increases. Increases in caseload have required fixes to complex system issues that were previously manageable through manual intervention. These positions would identify problems requiring resolution, define system changes and project requirements and scope, monitor projects during the development and implementation phase and monitor the system after changes have been made to ensure they are working as designed.

M-506 Business Process Management Unit — Page DHHS-DHCFP-21

Decision unit M-504 of B/A 101-3158, pages 12 and 13 of [Exhibit C](#), requests two new management analyst positions for the Rates and Cost Containment Unit to support workload increases resulting from the health care reform. These are priorities 15 and 23 on [Exhibit D](#). The Agency indicates its reporting and analysis requirements have increased due to the implementation of the ACA.

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The Agency also notes that its reimbursement methodologies for fee-for-service rates are antiquated and these positions would allow the Agency to complete a review of reimbursement rates on an ongoing basis to impact access to healthcare issues.

M-504 Rates and Cost Containment Unit Staff — Page DHHS-DHCFP-20

Decision Unit M-505, page 13 of [Exhibit C](#), requests one new management analyst position for the Accounting Unit to track and analyze ACA-related expenditures, forecast future expenditures and compile federally mandated reports.

M-505 Accounting and Budget Staff — Page DHHS-DHCFP-20

Do the Subcommittees wish to approve the new business process management staff, the new rates and cost containment staff and the accounting staff as recommended by the Governor?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNITS M-504, M-505 AND M-506 OF B/A 101-3158 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN DICKMAN VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Decision unit M-503 of B/A 101-3158, pages 13 and 14 of [Exhibit C](#), requests six new positions for the Division's district offices, including three administrative assistants and three health care coordinators. Four positions would be added to the Las Vegas Office. [Exhibit D](#) lists these positions as priorities 14, 22, 30 and 31. Two positions would be added to the Reno office, priorities 13 and 21.

M-503 District Office Staff — Page DHHS-DHCFP-19

The Agency indicates the Medicaid caseload has significantly increased during the current biennium. These new positions would serve as customer service and care coordination staff and would answer telephone and in-person recipient inquiries and assist recipients with accessing Medicaid providers and other community resources.

Given the trend of increased enrollment of Medicaid recipients in MCO, particularly in Clark and Washoe Counties, and the fact recipients enrolled in a MCO should seek customer service and care coordination through their MCO, Fiscal staff asked the Agency why additional district office staff is necessary. The Agency responded that fee-for-service enrollment has increased by a large degree in recent years—from 87,113 in January 2011 to 125,172 in January 2015—with no corresponding increase in district office staff.

Fiscal staff asked if there were particular workload ratios relating to customer service and care coordination staffing ratios. The Agency responded there are none; however, they said call volume in district offices has increased. For example in the Las Vegas office, the monthly call volume has increased from approximately 4,000 average monthly calls in FY 2013 to approximately 5,500 average monthly calls year to date. The Agency also notes that the two administrative assistants in the Las Vegas office are proposed to transfer to the DHHS Aging and Disability Services Division (ADSD). If the transfer of the Waiver for Persons with Physical Disabilities (WIN) is approved, this transfer would affect their customer service staff. The Agency does not have any workload statistics for care coordination.

Based on the information provided and the lack of available staffing ratios, it is unclear how many new positions would be adequate to address the Agency's stated workload increase. The Subcommittees may wish to approve one of the following options:

- A. Approve four new positions for the Las Vegas district office and two new positions for the Reno district office as recommended by the Governor.

- B. Approve four new positions including one health care coordinator and one administrative assistant for the Las Vegas district office and one health care coordinator and one administrative assistant for the Reno district office.
- C. Disapprove new positions for the district offices.

Assemblywoman Titus:

I am not in favor of approving any new positions for the district offices.

ASSEMBLYWOMAN TITUS MOVED TO RECOMMEND OPTION C TO THE FULL COMMITTEES, DISAPPROVING NEW POSITIONS FOR THE DISTRICT OFFICES.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

Assemblywoman Kirkpatrick:

The positions are necessary to improve the coordination of services and improve customer service. I favor the Governor's recommendation for granting approval of all the requested positions. I will not support the motion made by Assemblywoman Titus.

Assemblyman Sprinkle:

I agree with Assemblywoman Kirkpatrick. The increase in call volume alone indicates a great increase in workload. We need these positions to help coordinate the Medicaid expansion that is occurring and to assist the people we are here to represent. I support granting all six new positions and will not support denial of the request.

Senator Kieckhefer:

I support the middle ground of approving four of the requested six positions. I hesitate to approve all six positions when the Agency has not established staffing ratios or call volume ratios.

Chair Lipparelli:

We will take a vote on the motion made by Assemblywoman Titus.

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ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN CARLTON, KIRKPATRICK AND SPRINKLE VOTED NO.)

SENATE: THE MOTION FAILED. (SENATORS KIECKHEFER, SMITH AND LIPPARELLI VOTED NO.)

THE MOTION FAILED.

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SENATOR KIECKHEFER MOVED TO REQUEST RECONSIDERATION OF THE PREVIOUS MOTION MADE BY ASSEMBLYWOMAN TITUS.

SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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ASSEMBLYWOMAN TITUS MOVED TO RECOMMEND TO THE FULL COMMITTEES APPROVAL OF OPTION B, AUTHORIZING FOUR NEW POSITIONS, INCLUDING ONE HEALTH CARE COORDINATOR AND ONE ADMINISTRATIVE ASSISTANT FOR THE LAS VEGAS DISTRICT OFFICE AND ONE HEALTH CARE COORDINATOR AND ONE ADMINISTRATIVE ASSISTANT FOR THE RENO DISTRICT OFFICE, IN DECISION UNIT M-503 OF B/A 101-3158.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit M-507 of B/A 101-3158, pages 14 and 15 of [Exhibit C](#), recommends eight new positions, including two social services program specialists, priorities 19 and 28 in [Exhibit D](#), and six health care coordinators, priorities 3, 4, 5, 6, 20 and 26 in [Exhibit D](#), for the Long Term Support Services Unit to implement new federal requirements for home and community based services as described in [Exhibit C](#).

M-507 Long-Term Support Services Unit Staff — Page DHHS-DHCFP-21

Do the Subcommittees wish to approve eight new positions for the Long Term Support Services Unit as recommended by the Governor?

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES APPROVAL OF DECISION UNIT M-507 OF B/A 101-3158 AS RECOMMENDED BY THE GOVERNOR.

SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN TITUS VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit M-511 of B/A 101-3158 described on pages 15 and 16 of [Exhibit C](#) requests two new social service program specialists, priorities 7 and 8 in [Exhibit D](#), to support recent federal mandates requiring states to provide certain services to children on Medicaid with Autism Spectrum Disorder (ASD).

M-511 Applied Behavior Analysis — Page DHHS-DHCFP-23

One position is requested for the clinical policy team, priority 7 in [Exhibit D](#), for developing and refining program policies for and monitoring utilization of applied behavior analysis (ABA) services proposed to address a recent federal

mandate to provide certain medically necessary services to children with ASD. This position would research best practices, work with stakeholders, research ASD services offered by other state Medicaid programs, monitor ABA services utilization, analyze provider service levels and payments and administer provider trainings as necessary.

The other position is requested for the hearings section of the Program Integrity Unit, priority 8 in [Exhibit D](#). The Agency anticipates an increase in hearing requests associated with implementing ABA coverage. An increase in hearings is expected because many recipient requests for ABA will likely be denied or reduced from the level requested due to the requirement that services be medically necessary and supported by an appropriate level of medical evidence. Staff asked the Agency how many additional hearing requests are expected. The Agency did not have a specific number, but they did note they are expecting hundreds of additional hearing requests per month. In FY 2013, the Agency received 840 hearing requests processed by five staff equating to a ratio of hearings to staff of 14:1 per month. To date in FY 2015, there have been 2,070 hearing requests processed by seven staff equating to a monthly staffing ratio of 49:1. There is also one additional hearings position being recommended for this budget in M-502 that will be discussed later.

Do the Subcommittees wish to approve one new position for the Clinical Policy Team and one new position for the Hearings Section, contingent on the approval of coverage for ABA in the Medicaid budget?

Assemblywoman Titus:

Federal regulations require a hearing decision within 90 days of the request. What is the Agency's average time for making a decision? Has the Agency exceeded 90 days on any cases?

Laurie Squartsoff (Administrator, Division of Health Care Financing and Policy, Health and Human Services Department):

I do not have the current average processing timeframes with me, but I will provide that to you.

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Assemblywoman Titus:

I would like to see more information substantiating the need beyond Agency speculation.

Ms. Squartsoff:

The hearings we process are not related to eligibility determinations. We receive hearing requests related to Medicaid services that are denied, reduced or terminated. The number of requests increases as the number of people in the Medicaid program grows.

Assemblywoman Titus:

Do you know what percent of the hearing requests are denied?

Ms. Squartsoff:

I do not have that information with me, but I will provide it to you.

Assemblywoman Carlton:

There is an issue of people understanding the rules for ASD, ABA services and Medicaid. Is it possible that more denials for services are occurring than there should be?

Ms. Squartsoff:

The new Clinical Policy Team position is intended to ensure the new federal ASD requirements are applied correctly and we work with our sister agencies and all our providers to make sure the services requested are medically necessary. As we transition, and more people apply for this new benefit, we expect more hearings.

Assemblywoman Carlton:

I was hoping the intent of the new Clinical Policy Team position would be to ensure the policy and procedures are clearly written so people understand the criteria and are approved for the appropriate level of service, eliminating the disagreements and need for additional fair hearings. If we are not there yet, the goal should be to get there.

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Chair Lipparelli:

Will these new positions support the hearings officer in their adjudications of appeals or are they designed to ensure understanding of the qualifications so appeals are unnecessary?

Betsy Aiello, MBA, OTR/L (Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services):

The new ASD services will begin January 1, 2016. The Clinical Policy Team has been reviewing national standards and building the policy. Once the new policy is implemented, we will need someone to evaluate, monitor and maintain the program. Sometimes, people do not understand the concept and may apply for services that are not a medical necessity. When hearings are requested, the hearings officer adjudicates the hearings based on the State and federal policies. Anytime there is a new program or service group for which people can be denied services, we can expect more hearings during the transition period.

Assemblyman Sprinkle:

It is my understanding the impact expected is increased numbers applying for the new ABA benefit which will increase denials and fair hearing requests. Is that correct?

Ms. Squartsoff:

We expect an increased number of people requesting services with the expansion of benefits with an increased number of denials. The potential exists there will be a corresponding increase in hearing requests.

Assemblyman Sprinkle:

Do these hearings have to be processed within 90 days from the date of request?

Ms. Squartsoff:

Yes.

Assemblywoman Titus:

You already have a Clinical Policy Team. How many people are on that team?

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Ms. Squartsoff:

The existing Clinical Policy Team is currently staffed with 18 positions. We are requesting a new position for this team that would specifically address ABA services related to ADS.

Assemblywoman Titus:

A Clinical Policy Team exists that is addressing a multitude of healthcare programs and services. Are you requesting this new position specifically work on ASD and ABA?

Ms. Squartsoff:

That is correct. This is a new federal mandate for a very important program to incorporate ASD services into the Medicaid program.

ASSEMBLYMAN SPRINKLE MOVED TO RECOMMEND TO THE FULL COMMITTEES APPROVAL OF DECISION UNIT M-511 OF B/A 101-3158 CONTINGENT ON THE APPROVAL OF COVERAGE FOR ABA SERVICES IN THE MEDICAID BUDGET.

SENATOR SMITH SECONDED THE MOTION.

Assemblywoman Titus:

If this motion is approved, I request the Agency provide outcomes data showing what these two new positions accomplished during the 2015-2017 biennium, including the number of requests for services, the number of requests for fair hearings, the decisions for both and the average timeframes for making the decisions.

Assemblyman Armstrong:

Should the motion should be contingent on the ABA services being approved in the Medicaid budget?

Chair Lipparelli:

I believe so, but I will look to Senator Kieckhefer to respond to that question.

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Senator Kieckhefer:

The answer to Assemblyman Armstrong's question is yes. In answer to Assemblywoman Titus' request, I do not think we need a letter of intent, but I would advise the Agency to keep track of the information requested because we will be looking for it.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit M-501 of B/A 101-3158, page 16 of [Exhibit C](#), requests two new health care coordinator positions, priorities 17 and 29 on [Exhibit D](#), for the Long Term Support Services Unit in Las Vegas for the operation of the WIN Waiver program. This decision would be contingent upon the approval of the Governor's recommendation to increase WIN Waiver slots in the Medicaid budget by 51, from 754 to 805, over the upcoming biennium.

M-501 Long-Term Support Services Unit Staff — Page DHHS-DHCFP-18

The Agency indicates that one position would provide case management for WIN Waiver recipients and is recommended to maintain the Agency's historical 40 to 45 cases per worker ratio. This ratio is consistent with other waiver programs including the Home and Community Base Waiver for the Frail Elderly. Currently, the Agency has 23 case management staff, including three lead caseworkers who serve as managers, meaning that at least 20 case management staff would carry a full caseload of 40 to 45 cases. Considering 40 to 45 cases per caseworker, it appears the Agency has sufficient WIN Waiver staff to meet its staffing ratio in the 2015-2017 biennium. With the 805 WIN Waiver cases recommended in the Executive Budget, the existing 20 caseworkers would have an average of 40.25 cases. If a new case management position were approved, each caseworker would have an average caseload of 38 cases per worker, below the Agency's stated staffing ratio.

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The other new position would primarily be dedicated to recipient intake and functional eligibility assessment services in Las Vegas. Currently, the Agency does not have dedicated intake and eligibility assessment staff. Intake and eligibility assessments are performed by two lead caseworkers in Las Vegas who carry a reduced caseload to account for dedicating approximately 50 percent of their time to these responsibilities. Caseworkers in the Reno office are responsible for performing intake and eligibility functional assessments as part of their standard duties. It is unclear why it is now necessary to add a dedicated position to perform intake and eligibility assessments.

Do the Subcommittees wish to approve two positions as recommended by the Governor or disapprove both new positions, as the Agency appears to have sufficient waiver staff to meet its stated 40 to 45 cases per worker ratio?

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO DISAPPROVE DECISION UNIT M-501 OF B/A 101-3158.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit M-502 of B/A 101-3158, pages 17, 18 and 19 of [Exhibit C](#), proposes to add seven new positions, including five management analysts, priorities 9, 10, 11, 12 and 24 of [Exhibit D](#), one social services program specialist, priority 27, and one administrative assistant, priority 25, for the Program Integrity Unit to ensure the State complies with federal program integrity mandates, including ACA-related mandates.

One position would be added to the Provider Support Section to address growing provider and recipient complaints and inquiries and to perform provider outreach. One position would be added to the Hearings Section to support an anticipated increase in hearing requests related to Medicaid caseload growth. Five positions would be added to the Surveillance and Utilization Review (SUR) Section to address a backlog of 185 cases that have not yet been reviewed related to potential program fraud, waste and abuse.

The SUR Section works to detect fraud, waste and abuse in the Medicaid program. In addition to the SUR Section, the Agency is federally mandated to engage outside entities to review for fraud waste and abuse, including a recovery audit contractor. This activity is funded through a percentage of overpayments recovered. In FY 2013 and FY 2014, the State's contractor recovered a total of \$6 million. There is also a Medicaid integrity contractor fully federally funded in FY 2013 and FY 2014. In FY 2013 and FY 2014, this contractor recovered a total of \$14,512.

For comparison with the recoveries, SUR staff recovered \$3.9 million in FY 2013 and FY 2014 combined. In FY 2012, the SUR staff recovered \$4.6 million. Additionally, there is a cost avoidance associated with SUR staff as a result of educating providers about appropriate billing procedures. The new SUR positions would generate \$2.5 million, which includes \$795,752 in General Funds, in medical service savings in the Medicaid budget through recovering improper payments over the 2015-2017 biennium.

Currently the SUR unit is staffed with 14 positions. Eight new positions are recommended for the SUR unit including five in this decision unit and three in decision unit E-229 representing a 57 percent increase in SUR staff.

E-229 Efficient and Responsive State Government — Page DHHS-DHCFP-25

Fiscal staff asked the Agency for workload statistics, and the Agency indicated there are approximately 1,048 cases in FY 2014 compared to a projected 1,596 cases in FY 2016 and FY 2017. The Agency indicates that four of the five new SUR staff would establish a Las Vegas office, which would allow additional on-site visits to providers creating educational opportunities on proper billing procedures. The request includes three management analysts and

one administrative assistant. If one of the management analyst positions were not approved, it would constrain the operation of the unit because at least two staff must be present during on-site visits.

Regarding the administrative assistant, the Carson City office is staffed with 13 management analysts and 1 administrative assistant compared to the request for 3 management analysts and 1 administrative assistant proposed for the Las Vegas office. The proposed Las Vegas SUR unit could function without an administrative assistant, but other staff would spend time on lower-level duties.

The other new SUR position would be located in Carson City and would serve as a data systems coordinator. This position would primarily be responsible for designing and developing reports and would dedicate approximately 10 percent of their time to conduct provider reviews.

With regard to the five positions for the SUR Section, do the Subcommittees wish to:

- A. Approve the requested five new positions as recommended by the Governor.
- B. Disapprove the five new positions for the SUR Section and direct the Agency to utilize the recovery audit contractor for additional program integrity efforts.
- C. Approve three new positions for the SUR Section including three management analysts to establish a Las Vegas office and disapprove one management analyst data system coordinator and one administrative assistant.

Senator Kieckhefer:

I support option C. Creating a SUR office in Las Vegas makes sense. The Agency indicated the three new management analyst positions could survive without the administrative assistant, and the extra management analyst position in Carson City appears to be nonessential to operations.

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SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES APPROVAL OF THREE NEW MANAGEMENT ANALYST POSITIONS TO BE LOCATED IN THE LAS VEGAS SUR SECTION AND DISAPPROVAL OF ONE NEW MANAGEMENT ANALYST DATA SYSTEM COORDINATOR AND ONE ADMINISTRATIVE ASSISTANT IN DECISION UNIT M-502 OF B/A 101-3158.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit M-502 of B/A 101-3158 proposes a new position for the Provider Support Section, priority 27 in [Exhibit D](#), to address growing provider and recipient complaints and inquiries and to perform provider outreach. This position would monitor provider enrollments and disenrollments to trend provider statistics in relation to the Medicaid caseload, evaluate access to various health care services throughout the State and develop recommendations for addressing identified access to care issues. The position would also be responsible for monitoring claims reprocessing and keeping providers informed of pending claims reprocessing, so providers are aware in advance of the financial impact.

Additionally, one new position is recommended by the Governor for the hearings section to support an anticipated increase in hearing requests related to Medicaid caseload growth.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO RECOMMEND TO THE FULL COMMITTEES APPROVAL OF ONE NEW POSITION FOR THE PROVIDER SUPPORT SECTION AND ONE NEW POSITION FOR THE HEARINGS SECTION AS RECOMMENDED BY THE GOVERNOR IN DECISION UNIT M-502 OF B/A 101-3158.

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SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit E-227 of B/A 101-3158, page 19 of [Exhibit C](#), requests two new information technology (IT) professional positions, priorities 33 and 36 in [Exhibit D](#), for the Project Management Section of the Information Services Unit for project management of IT-related projects such as the Medicaid Management Information System (MMIS) replacement. The Agency anticipates IT projects would increase from the historical average of 22 projects annually to 50 annually in the upcoming biennium. The Agency claims it is not adequately staffed to manage this number of projects.

E-227 Efficient and Responsive State Government — Page DHHS-DHCFP-24

Do the Subcommittees wish to approve two new positions for IT project management?

Senator Kieckhefer:

Would these new positions be dedicated to the MMIS replacement project?

Ms. Crocket:

No, these positions would work on the MMIS system and other projects. The Agency has ongoing significant effort projects such as server replacements and rolling out various software packages.

Senator Kieckhefer:

Did the Agency provide a list of the 50 annual projects in the upcoming biennium?

Ms. Crocket:

Yes, the Agency did provide a list of those projects.

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SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE TWO NEW IT PROFESSIONAL POSITIONS FOR THE PROJECT MANAGEMENT SECTION OF THE INFORMATION SERVICES UNIT IN DECISION UNIT E-227 IN B/A 101-3158 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The other new position requested is in decision unit E-226 of B/A 101-3158, a health resource analyst, priority 32 in [Exhibit D](#), for the clinical policy team to add management for the Pharmacy Benefit Team, which currently includes two existing policy staff. This position would be dedicated to pharmacy strategic planning and would develop utilization management models, manage coverage policies, refine delivery system models and work with external stakeholders on pharmaceutical policy issues. Pharmacy is a particularly complex area in Medicaid with various rebate programs and projects of that nature that need to be monitored on an ongoing basis.

E-226 Efficient and Responsive State Government — Page DHHS-DHCFP-24

Do the Subcommittees wish to approve one new position for the Clinical Policy Team?

Assemblywoman Titus:

I do not support adding this new position. The same pharmacy issues exist regardless of the volume. New medications have actually decreased during the past year because of the cost of research and development.

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Chair Lipparelli:

What would the return to the State be? Would the State realize savings in comparison to the cost of the position?

Ms. Crocket:

There could be some return to the State in the form of pharmacy rebates.

Chair Lipparelli:

Would it be anywhere close to \$132,809?

Ms. Crocket:

In the current biennium, the Agency underprojected its pharmacy rebates of over \$50 million. There are new expensive drugs coming out all the time. It is important to keep an eye on the implications of implementing various coverage models.

Senator Kieckhefer:

Are there two existing positions on the clinical policy team dedicated to pharmacy?

Ms. Crocket:

The Agency's organizational chart indicates this to be true.

Senator Kieckhefer:

Has either of those positions been reallocated to autism services during the current biennium?

Ms. Aiello:

No, two positions are working on pharmacy issues.

Assemblywoman Titus:

Pharmacy rebates only apply to new medications recently released. The pharmacies want to entice people to purchase these drugs. The rebates eventually go away and then in the end cost more money. I suggest we do not fund this position.

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ASSEMBLYWOMAN TITUS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO DISAPPROVE ONE NEW HEALTH RESOURCE ANALYST POSITION FOR THE CLINICAL POLICY TEAM IN DECISION UNIT E-227 IN B/A 101-3158.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblywoman Kirkpatrick:

I will support this motion only if the Agency has the ability to come back to IFC to request this position be added if they get in trouble with the workload.

Chair Lipparelli:

Is there a health resource analyst position in the budget that the Agency could access in IFC?

Ms. Crocket:

The Agency could only approach IFC to request additional positions through the standard IFC procedure and only if deemed necessary for their operations.

Assemblywoman Kirkpatrick:

When agencies request new positions in the interim, I always question why they did not request the positions during the normal legislative budget process.

Assemblyman Oscarson:

Am I correct in understanding there are current staff to handle the pharmacy work?

Ms. Aiello:

Yes. We are asking for additional staff due to the complexity of drugs.

Assemblyman Oscarson:

Not having a pharmaceutical background, I will reluctantly support this motion, with the caveat that if this becomes burdensome, you will come back to IFC to request the position. Pharmacy is a critical area involving huge amounts of money that must be closely monitored.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision units E-230 and E-235 of B/A 101-3158, pages 19 and 20 of [Exhibit C](#), recommend adding three new positions to the Fiscal Integrity Unit, including two management analysts, priorities 35 and 39 of [Exhibit D](#), and one auditor, priority 34, to increase fiscal agent oversight, perform Agency internal audits, complete the Agency internal controls report, oversee Medicaid payments for the Department of Corrections inmates and track provider debt.

E-230 Efficient and Responsive State Government — Page DHHS-DHCFP-26
E-235 Efficient and Responsive State Government — Page DHHS-DHCFP-27

In decision unit E-235, the Executive Budget recommends cost reductions of \$671,721 in each year of the 2015-2017 biennium resulting from fiscal agent savings associated with adding the staff included in decision unit E-230.

The new auditor position would be responsible for the internal audits, internal controls report and for tracking payments for Department of Corrections' inmates. One new management analyst position would track, collect and produce reports on provider debt. The 2013 Legislature approved two new positions to perform this function. The Agency indicates that the workload is becoming unmanageable for existing staff and that there may be delays in recovering provider debt. The other new management analyst would implement an audit of fiscal agent monthly invoices, which is expected to generate savings.

The Subcommittees may wish to consider the following options:

- A. Approve three new positions for the Fiscal Integrity Unit, as recommended by the Governor.

- B. Approve one new position to audit fiscal agent invoices, which is expected to generate savings and disapprove the other two new positions.
- C. Disapprove three new positions for the Fiscal Integrity Unit, requiring the elimination of General Fund savings totaling \$167,930 in each year of the 2015-2017 biennium.

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE ONE NEW MANAGEMENT ANALYST POSITION AND DISAPPROVE ONE MANAGEMENT ANALYST AND ONE AUDITOR POSITION IN DECISION UNIT E-230 OF B/A 101-3158; AND APPROVE DECISION UNIT E-235 OF B/A 101-3158 RELATED TO COST SAVINGS FROM ADDING THE NEW MANAGEMENT ANALYST POSITION AS RECOMMENDED BY THE GOVERNOR.

Senator Kieckhefer:

To clarify, the motion chose Option B. Would this approve the position in decision E-235 and disapprove those in E-230?

Ms. Crocket:

The motion is to approve one management analyst in decision unit E-230, disapprove one auditor and one management analyst in decision unit E-230 and approve E-235 as recommended by the Governor. The position that is approved is the only position indicated to generate fiscal agent savings.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit E-229 of B/A 101-3158, pages 20 and 21 of [Exhibit C](#), proposes to add four new management analyst positions, priorities 37, 38, 40 and 41 of

[Exhibit D](#) for the Program Integrity Unit to ensure that the State maintains compliance with federal Program integrity initiatives and to support the Governor's initiative for a responsive and efficient government. One position would manage and oversee the Compliance Section, which consists of the Medicaid Estate Recovery Section, Hearings Section and Data Compliance Section, and three positions would be added to the SUR Section.

E-229 Efficient and Responsive State Government — Page DHHS-DHCFP-25

The three new positions for the SUR Section would review medical service encounter data for recipients enrolled in a MCO to identify fraud, waste and abuse. The Agency anticipates the requested SUR positions would generate \$2 million, \$636,601 in General Fund dollars, in medical service savings over the 2015-2017 biennium.

The SUR Section is currently staffed with 14 positions. The Subcommittees should note that the three new SUR positions in this decision unit are included in an enhancement decision unit because the State is not required by the Centers for Medicare and Medicaid Services (CMS) to review or audit payments made by MCOs. The Agency indicates that CMS is requiring States to increase oversight of program integrity policies and activities in MCOs.

The other new management analyst position is recommended to manage and oversee the Medicaid Estate Recovery Section, Hearings Section and Data Compliance Section. Currently, these sections report directly to the chief of program integrity and compliance. This new position would provide additional oversight of the operations of these sections. The new position would also be responsible for overseeing other compliance-related activities, including managing State Plan amendments, overseeing regulation review and coordination of the Medical Care Advisory Committee.

The Subcommittees may wish to consider the following options:

- A. Approve four new positions for the Program Integrity Unit, including one position to manage the Compliance Section and three positions for the SUR Section, as recommended by the Governor.

- B. Approve one new management analyst position to oversee the Medicaid Estate Recovery Section, Hearings Section and Data Compliance Section and disapprove three positions for the SUR Section, requiring the elimination of General Fund savings totaling \$636,601 over the 2015-2017 biennium in the Medicaid budget.
- C. Disapprove four new positions for the Program Integrity Unit, requiring the elimination of General Fund savings totaling \$636,601 million over the 2015-2017 biennium in the Medicaid budget.

Chair Lipparelli:

Will the estimated annual savings of \$636,601 in General Fund monies persist over time?

Ms. Crocket:

In general, the SUR staff generates savings on an ongoing basis. However, the Agency has never previously reviewed MCO data. Consequently, we have no data available to determine whether their estimate is reasonable.

Senator Kieckhefer:

Is there any indication that the MCO are not effectively reviewing their data?

Ms. Crocket:

We have no data available to determine this because the State has never reviewed or audited the claims paid by MCOs.

Senator Kieckhefer:

How did the Agency come up with the estimated savings?

Ms. Crocket:

The Agency came up with their estimation by extrapolating the fee-for-service recoveries to the MCO recoveries.

Senator Kieckhefer:

Is the MCO conducting MCO reviews similar to reviews being performed by SUR staff for fee-for-service?

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Ms. Crocket:

The Medicaid Services manual requires that MCO have review procedures in place.

Assemblywoman Kirkpatrick:

There are SUR positions already in place that should be working in conjunction with the MCOs. It makes sense to authorize at least one position to collect data to determine future needs.

ASSEMBLYWOMAN TITUS MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE OPTION B FOR DECISION UNIT E-229 IN B/A 101-3158 AUTHORIZING THE ADDITION OF ONE NEW MANAGEMENT ANALYST POSITION TO OVERSEE THE MEDICAID ESTATE RECOVERY SECTION, HEARINGS SECTION AND DATA COMPLIANCE SECTION AND DISAPPROVE THREE MANAGEMENT ANALYST POSITIONS FOR THE SUR SECTION, REQUIRING THE ELIMINATION OF GENERAL FUND SAVINGS OF TOTALING \$636,601 OVER THE 2015-2017 BIENNIUM IN THE MEDICAID BUDGET.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit E-550 of B/A 101-3158, pages 21 and 22 of [Exhibit C](#), requests \$33.5 million, which includes \$3.3 million in General Fund, in the 2015-2017 biennium for a technology investment request (TIR) to implement a portion of the final phase of a three-phase project to replace the existing MMIS. The MMIS is an automated claims information and processing solution. Nevada's existing MMIS is hosted and operated by a vendor, which serves as Medicaid's fiscal agent.

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Phase I of the MMIS replacement project, which compared the State's existing MMIS with the federal government's requirements for such systems, was completed in 2009. Phase II, which is expected to be complete in October 2015, involves planning the MMIS system replacement effort. Phase III of the project is scheduled to begin in November 2015 and consists of the design, development, implementation and federal certification of the replacement system. The Agency anticipates that phase III of the project will take 60 months, including 36 months for system design and development, with testing and CMS certification during the remaining 24 months. Phase III of the project is expected to cost \$116 million over that time.

The Agency intends to contract with vendors to implement phase III of the project. During the upcoming biennium, the TIR indicates the Agency will release a request for proposal (RFP), obtain CMS and Board of Examiners contract approval for the selected vendor and begin system design and development. The Agency will procure an existing MMIS system currently in use by another state and customize it to meet Nevada's needs.

Do the Subcommittees wish to approve the Governor's recommendation to implement the first portion of the third and final phase of the MMIS replacement project?

Chair Lipparelli:

Where do we expect to be in October of 2015? The documents indicate Phase II is expected to be completed. Can you give us an update on whether that will occur?

Sandie L. Ruybalid (Chief of Information Services, Division of Health Care Financing and Policy, Department of Health and Human Services):

The Agency is currently on target with phase II of the MMIS project.

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE
FULL COMMITTEES TO APPROVE DECISION UNIT E-550 OF
B/A 101-3158, AS RECOMMENDED BY THE GOVERNOR.

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ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The final major closing item in B/A 101-3158 is the transfer of the operation of the WIN Waiver, discussed on pages 22 and 23 of [Exhibit C](#). Decision units E-900 and E-901 transfer the operation of the WIN Waiver to the ADSD beginning July 1, 2015. To affect the transfer, operating and personnel costs for 27 positions would be transferred to the ADSD. Currently, the ADSD operates Medicaid's two other CMS-approved waiver programs.

E-900 Transfer From BA 3158 To BA 3266 — Page DHHS-DHCFP-30

E-901 Transfer From BA 3158 To BA 3266 — Page DHHS-DHCFP-31

The Subcommittees approved transferring operation of the WIN Waiver to the ADSD in closing the Home and Community Based Services budget on May 1; Staff recommends the Subcommittees approve transferring operation of the WIN Waiver to the ADSD, consistent with its previous action. There would need to be an adjustment to the transfer of this account for the Subcommittee's previous action to disapprove two new waiver positions.

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNITS E-900 AND E-901 OF B/A 101-3158 WITH THE ADJUSTMENTS IN STAFFING AS NOTED BY FISCAL STAFF.

SENATOR KIECKHEFER SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The other closing items in B/A 101-3158 include decision units M-101, M-200, M-201, M-202, M-203, E-710, E-719, E-720, M-508, M-509, M-512, E-232, E-237, E-238 and E-800 are described on pages 23, 24 and 25 of [Exhibit C](#).

M-101 Agency Specific Inflation — Page DHHS-DHCFP-15
M-201 Demographics/Caseload Changes — Page DHHS-HCF&P-16
M-200 Demographics/Caseload Changes — Page DHHS-DHCFP-16
M-202 Demographics/Caseload Changes — Page DHHS-DHCFP-17
M-203 Demographics/Caseload Changes — Page DHHS-DHCFP-17
E-710 Equipment Replacement — Page DHHS-DHCFP-29
E-719 Equipment Replacement — Page DHHS-DHCFP-29
E-720 New Equipment — Page DHHS-DHCFP-29
M-508 Core Phases I - IV — Page DHHS-DHCFP-22
M-509 Health Plan Identifier — Page DHHS-DHCFP-22
M-512 ABA Fiscal Agent Costs — Page DHHS-DHCFP-23
E-232 Efficient and Responsive State Government — Page DHHS-DHCFP-26
E-237 Efficient and Responsive State Government — Page DHHS-DHCFP-27
E-238 Efficient and Responsive State Government — Page DHHS-DHCFP-27
E-800 Cost Allocation — Page DHHS-DHCFP-30

The recommendations for these decision units appear reasonable. Fiscal staff requests authority to make necessary technical adjustments to align transfers from this budget with revenues in other budgets.

Do the Subcommittees wish to approve all other closing items as recommended by the Governor, with the noted technical adjustments and authorize Fiscal staff to make further technical adjustments as necessary?

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Senator Kieckhefer:

Are the administrative costs in decision unit M-512 for the new ASD program only costs associated with the outside vendor?

Ms. Crocket:

Yes, these funds are for claims processing and prior authorizations.

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE OTHER CLOSING ITEMS, DECISION UNITS M-101, M-200, M-201, M-202, M-203, E-710, E-719, E-720, M-508, M-509, M-512, E-232, E-237, E-238 AND E-800, OF B/A 101-3158 WITH THE NOTED TECHNICAL ADJUSTMENTS, AND AUTHORIZES FISCAL STAFF TO MAKE FURTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblywoman Kirkpatrick:

When will the health care transparency Web site maintained by the University of Nevada, Las Vegas (UNLV) described in decision unit E-237 be available?

Ms. Crocket:

This is an existing Web site that is currently operational. Although UNLV has previously funded the operations, they no longer have the funds to sustain the Web site.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The Increased Quality of Nursing Care, B/A 101-3160, is located on pages 26 and 27 of [Exhibit C](#). This account was established to collect provider taxes and transfers funding to the Medicaid budget to provide supplemental payments to long-term care facilities.

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HHS-DHCFP - Increased Quality of Nursing Care — Budget Page
DHHS-DHCFP 34 (Volume II)
Budget Account 101-3160

There are no major issues for this budget. Fiscal staff recommends this budget be closed as recommended by the Governor, with authority for Fiscal staff to make technical adjustments as necessary.

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-3160 AS RECOMMENDED BY THE GOVERNOR, WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The Nevada Medicaid budget, B/A 101-3243, is discussed on pages 28 through 48 of [Exhibit C](#). This account funds the Medical expenditures for the Medicaid Program.

HHS-DHCFP - Nevada Medicaid, Title XIX — Budget Page DHHS-DHCFP-41
(Volume II)
Budget Account 101-3243

The first major closing item is the Medicaid caseload, decision unit M-200 of B/A 101-3243, pages 30, 31 and 32.

M-200 Demographics/Caseload Changes — Page DHHS-DHCFP-43

The Governor recommends additional funding of \$632.7 million, which includes \$49.9 million General Fund appropriation, in FY 2016 and \$674 million, which

includes \$82.2 million General Fund appropriation, in FY 2017 to support increased medical service costs associated with projected Medicaid caseload growth over the 2015-2017 biennium.

The 2013 Legislature approved the Governor's recommendation to expand Medicaid eligibility to adults age 19 to 64 with household incomes up to 138 percent of the federal poverty level as allowed by the ACA.

In the 2015-2017 biennium, the Governor's recommended budget originally projected that the caseload would slightly decrease from the FY 2015 monthly average caseload of approximately 575,000 to 570,000. The Agency indicated during the budget hearing that caseload was expected to stabilize around the 570,000 cases per month level throughout the upcoming biennium.

Typically during the Legislative Session, the Agency reprojects Medicaid caseload and cost per eligible (CPE) information using the most recent caseload and cost data. The Agency reprojected its data in April based on the February 2015 actual caseload data. This information shows the average caseload higher than was previously projected including the Newly Eligible, Medical Assistance to Aged, Blind and Disabled (MAABD), County Indigent and Child Welfare. The Nevada Check Up and the Temporary Assistance for Needy Families (TANF) and the Children's Health Assurance Program (CHAP) populations are lower than previously projected. The projected monthly caseload is now projected to be approximately 588,000 for FY 2016 and 577,000 for FY 2017.

The costs associated with these caseload increases have been largely offset by projected decreases in the fee-for-service CPEs for the TANF, CHAP, Nevada Check Up, MAABD and Child Welfare populations. Fiscal staff asked the Agency what factors are contributing to the projected CPE decreases, and the Agency indicated that projected CPEs change monthly, based on actual caseload and costs incurred. The Agency also indicated that retroactive eligibility adjustments were made, resulting in a lower CPE. According to the Agency's calculations, General Fund expenditures in Medicaid are projected to increase by approximately \$3.1 million over the 2015-2017 biennium, as compared to the amounts included in the Executive Budget.

In reviewing the Agency's caseload and CPE recalculation, Fiscal staff determined the projected waiver caseload used in the recalculation was understated and asked the Agency to provide updated calculations. These recalculations resulted in additional General Fund expenditures totaling \$449,221 over the 2015-2017 biennium bringing the total projected General Fund increase to \$3.5 million over the 2015-2017 biennium.

During the April 16 work session, the Subcommittees asked the Agency why the Medicaid caseload projections had increased from the projection included in the Governor's recommended budget. The Agency indicated that due to a large influx of Medicaid applications, there was a time that they were not processing Medicaid redeterminations. Just prior to the Medicaid projections, they processed a large number of redeterminations where a number of individuals were dropped from the Medicaid caseload during the redetermination process. Subsequently, many of those individuals reapplied and returned to the Medicaid caseload, resulting in an increase in caseload projections for the 2015-2017 biennium.

In reviewing supporting documentation for this budget, Fiscal staff determined that projected expenditures in this decision unit were overstated because mandatory rate increases for MCOs included in this decision unit are also included in the M-101 decision unit resulting in double counting of those costs. The Agency agreed that it was reasonable to remove the MCO rate increases from this decision unit. Fiscal staff has completed a technical adjustment to account for this error resulting in General Fund savings of approximately \$11.6 million in FY 2016 and \$15.4 million in FY 2017. The adjustment was calculated based on the Agency's updated caseload and CPE projection.

M-101 Agency Specific Inflation — Page DHHS-DHCFP-42

Do the Subcommittees wish to approve the revised Medicaid caseload and CPE projections, requiring additional General Fund appropriations totaling \$3.1 million over the 2015-2017 biennium, representing the costs across all decision units, with the noted technical adjustments, including additional General Fund appropriation totaling \$449,221 over the 2015-2017 biennium to properly account for the waiver caseload and General Fund savings totaling

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\$27 million over the 2015-2017 biennium to correct an error that double-counted MCO mandatory rate increases?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT M-200 IN B/A 101-3243 WITH THE REVISED MEDICAID CASELOAD AND CPE PROJECTIONS, REQUIRING AN ADDITIONAL \$3.1 MILLION OVER THE 2015-2017 BIENNIUM, REPRESENTING THE COSTS ACROSS ALL DECISION UNITS, WITH THE NOTED TECHNICAL ADJUSTMENTS, INCLUDING ADDITIONAL GENERAL FUND APPROPRIATION TOTALING \$449,221 OVER THE 2016-2017 BIENNIUM TO CORRECT AN ERROR THAT DOUBLE-COUNTED MCO MANDATORY RATE INCREASES.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The next major closing item in B/A 101-3243 is the federal medical assistance percentage (FMAP) rates, pages 32 and 33 in [Exhibit C](#). The federal government pays states for a specified percentage of Medicaid program expenditures referred to as the FMAP rate. The FMAP rate is determined annually based on a 3-year average of the state per capita income compared to the national average per capita income.

In March 2015, the Federal Funds Information for States, an independent organization that tracks and reports on the fiscal impact of federal budgetary and policy decisions on state budgets and programs, recalculated the FY 2017 FMAP rates. As a result, the blended FMAP is projected to be 65.25 percent, or 0.05 percent lower than the FMAP rate included in the Executive Budget. The ACA Enhanced Check Up blended FMAP rate is projected to be 98.68 percent, or 0.03 percent lower in FY 2017 than was included in the

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Governor's recommended budget. These decreases in FMAP rates create a General Fund shortfall of \$921,436 in the Medicaid budget in FY 2017.

The chart on page 33 of [Exhibit C](#) displays the various FMAP rates used in the Executive Budget with the recommended revisions. These rates will continue to be projections until the official federal FY 2017 FMAP rates are released by the U.S. Department of Health and Human Services in the fall of 2016.

Do the Subcommittees wish to approve the revised FMAP rates for FY 2017, requiring additional General Fund appropriations of \$921,436 in FY 2017 across all decision units in this budget?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN B/A 101-3243 THE REVISED FMAP RATES FOR FY 2017, REQUIRING ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$921,436 IN FY 2017 ACROSS ALL DECISION UNITS.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The next major closing item in B/A 101-3243 is the mandatory and discretionary provider reimbursement rate increases, pages 33 and 34 of [Exhibit C](#).

Decision unit M-101 includes federally mandated provider reimbursement rate increases of \$44 million, which includes \$12.4 million General Fund appropriation, in FY 2016 and \$71.3 million, which includes \$16.7 million General Fund appropriation, in FY 2017. The table on page 33 of [Exhibit C](#) displays the mandatory annual rate increase percentages by provider type.

M-101 Agency Specific Inflation — Page DHHS-DHCFP-42

Fiscal staff made a technical adjustment to the payments the State is required to reimburse Medicare for the costs of providing prescription drug coverage to individuals eligible for both Medicare and Medicaid as described on pages 33 and 34 of [Exhibit C](#). The reimbursement is referred to as claw back payments. This adjustment resulted in a net General Fund appropriation increase of \$1.7 million over the 2015-2017 biennium.

The State pays MCOs a supplemental payment for the care of pregnant women, known as a maternity kick payment. Fiscal staff determined that the Agency's July to December 2015 maternity kick payments were overstated due to a calculation error. Technical adjustments to correct this error resulted in savings totaling \$852,168, which includes \$204,982 General Fund appropriation, in FY 2016.

Do the Subcommittees wish to approve mandatory rate increases as recommended by the Governor with the noted technical adjustments, which includes additional General Fund appropriations of \$1.7 million over the 2015-2017 biennium for claw back payments and General Fund savings of \$204,982 in FY 2016 to correct a calculation error?

Assemblywoman Titus:

I will be recusing myself from voting in these next decision units, including provider reimbursement, mandatory rate increases and rate increases for physicians, physician assistants and certified nurse practitioners, as I am employed by a rural health center and am the medical director of a hospital agency.

SENATOR SMITH MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN DECISION UNIT M-101 OF B/A 101-3243 THE MANDATORY RATE INCREASES AS RECOMMENDED BY THE GOVERNOR WITH THE NOTED TECHNICAL ADJUSTMENTS, WHICH INCLUDES ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$1.7 MILLION OVER THE 2015-2017 BIENNIUM FOR CLAW BACK PAYMENTS AND GENERAL FUND SAVINGS OF \$204,982 IN FY 2016 TO CORRECT A CALCULATION ERROR.

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ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (SENATOR TITUS ABSTAINED FROM THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Next are discretionary rate increases. In decision unit E-277 of B/A 101-3243, the Governor proposes additional funding totaling \$97.8 million, which includes \$23.2 million General Fund appropriation, over the 2015-2017 biennium to increase reimbursement rates for physicians, physician assistants and certified nurse practitioners beginning in FY 2016. The intent is to increase current rates, which are based on the 2002 Medicare fee schedule, to align more closely with rates in the 2014 Medicare fee schedule. The Agency indicates the recommended funding would result in a 10 percent increase in the aggregate in the amount paid for physician, physician assistant and certified nurse practitioner services. The 2013 Legislature approved a temporary Primary Care Physician supplemental payment as required by the ACA for the 2013-2015 biennium, which is set to expire on June 30, 2015.

E-277 Educated and Healthy Citizenry — Page DHHS-DHCFP-51

The reimbursement rate increase would not apply equally to all medical services, but rather the reimbursement rate for some services would increase and the reimbursement rate for other services would decrease. The table on page 35 of [Exhibit C](#) shows the proposed percentage changes from the current rates for the various service types.

During the budget hearing, concerns were expressed that under the Governor's proposal the reimbursement rates for radiology and laboratory services would decrease. Concerns were also expressed about the temporary supplemental payment to providers set to expire on June 30, 2015. Further discussion on these issues is located on pages 34, 35, 36 and 37 of [Exhibit C](#). Funding options are presented on pages 36 and 37.

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Senator Kieckhefer:

It is important we maintain an adequate network of medical providers for our Medicaid patients. The Medicaid reimbursement rates are a big factor.

Assemblywoman Kirkpatrick:

The laboratory rates need to be higher than 50 percent of the Medicare fee schedule recommended by Governor. Laboratory work is necessary for any healthcare analysis. The radiology has been at 100 percent of the Medicare fee schedule, which has worked well. I would support a motion considering a combination of all these factors.

Assemblywoman Titus:

Although I am abstaining from the vote, I want to say it does no good for doctors to see patients if they cannot get the necessary testing to properly diagnose the issues.

Assemblyman Sprinkle:

I agree with the previous comments regarding the radiology and laboratory rates. Considering the incredible Medicaid expansion and the need for service providers, we must pay providers adequately so they are willing to take Medicaid patients.

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES IN DECISION UNIT E-277 OF B/A 101-3243 TO APPROVE PHYSICIAN, PHYSICIAN ASSISTANT AND CERTIFIED NURSE PRACTITIONER RATES AS RECOMMENDED BY THE GOVERNOR, WHICH INCLUDES ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$23.2 MILLION OVER THE 2015-2017 BIENNIUM; AND TO APPROVE RADIOLOGY REIMBURSEMENT RATES AT 100 PERCENT OF THE 2014 MEDICARE FEE SCHEDULE REQUIRING AN ADDITIONAL \$5.3 MILLION OVER THE 2015-2017 BIENNIUM; AND TO APPROVE LABORATORY REIMBURSEMENT RATES AT 95 PERCENT OF THE 2014 MEDICARE FEE SCHEDULE, REQUIRING ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$3 MILLION OVER THE 2015-2017 BIENNIUM.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED. (SENATOR TITUS ABSTAINED FROM THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

If the Subcommittees want to maintain the provider evaluation and management reimbursement fees at the current level after the supplemental payment sunsets, it would cost an additional \$12.4 million in General Fund appropriations to increase the fees from the 90 percent and 95 percent of the 2014 Medicare fee schedule in FY 2016 and FY 2017, respectively, to 100 percent of the Medicare fee schedule.

Assemblywoman Kirkpatrick:

Would this cost an additional \$12.4 million on top of the \$8.3 million we just approved?

Ms. Crocket:

Yes, that is correct.

Assemblywoman Kirkpatrick:

I understand we need additional dollars to increase the provider evaluation and management reimbursement fees to bring them up to 100 percent of the Medicare fee schedule, but I suggest we leave the vote where it stands and reevaluate this if we find additional funds.

Assemblywoman Carlton:

As a result of our last vote, what happened to the primary care reimbursement rate? Did it go down, up or stay the same? The primary care physicians, physician assistants and certified nurse practitioners are the people we need the most.

Ms. Crocket:

The primary care reimbursement will go down slightly from what it is now. Currently, with the temporary ACA primary care physician supplemental

payment, providers are receiving 100 percent of the Medicare fee schedule. This supplemental payment ends June 30, 2015. This body just voted to recommend approval for paying 90 and 95 percent of the 2014 Medicare fee schedule in FY 2016 and FY 2017, respectively.

Assemblywoman Carlton:

I have concerns about this. It is difficult to get primary care providers to accept Medicaid. Without them, people are forced to get their medical care through the high cost emergency rooms.

Assemblywoman Titus:

Even when doctors receive 100 percent of the Medicare rate, it does not cover 100 percent of costs.

Ms. Crocket:

In decision unit E-275 of B/A 101-3243, the Governor proposes additional funding of \$14.4 million, which includes \$4.4 million General Fund appropriation, to increase the reimbursement rate for acute inpatient hospital services by 2.5 percent beginning in FY 2017.

E-275 Educated and Healthy Citizenry — Page DHHS-DHCFP-50

The Agency indicates that the 2.5 percent increase applies to acute inpatient hospital services in the aggregate, rather than a 2.5 percent increase to each individual service. The Agency intends to work with the Nevada Hospital Association to target rate increases to ensure access to care for Medicaid recipients.

Based on previous Subcommittee discussion, if the Subcommittees wish to begin the acute inpatient hospital services 2.5 percent rate increase in FY 2016 rather than FY 2017, additional funding totaling \$15 million, which includes \$4.6 million in General Fund appropriations, would be required.

If the Subcommittees wish to increase the acute inpatient hospital services by 2.5 percent in FY 2016 and an additional 2.5 percent in FY 2017—5.06 percent cumulative increase from the FY 2015 level—additional funding totaling

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\$30 million, which includes \$9.2 million in General Fund appropriations, would be required.

If the Subcommittees wish to increase the acute inpatient hospital services reimbursement rate by 5 percent beginning in FY 2016, additional funding totaling \$44.5 million, which includes \$13.7 million in General Fund appropriations, would be required.

Funding options for consideration are listed on page 38 of [Exhibit C](#).

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN DECISION UNIT E-275 OF B/A 101-3243 TO INCREASE THE REIMBURSEMENT RATE FOR ACUTE INPATIENT HOSPITAL SERVICES BY 2.5 PERCENT IN FY 2016 AND AN ADDITIONAL 2.5 PERCENT IN FY 2017, REQUIRING ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$9.2 MILLION OVER THE 2015-2017 BIENNIUM.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

Assemblyman Oscarson:

I request a letter of intent be added requiring the DHCFP to research opportunities for funding some of the new programs being considered, such as community health worker, telemedicine and community paramedicine, and report their findings to the February 2017 IFC for consideration.

SENATOR KIECKHEFER MOVED TO AMEND THE PREVIOUS MOTION TO INCLUDE A LETTER OF INTENT DIRECTING THE DHCFP TO EXPLORE POSSIBILITIES FOR FUNDING SOME OF THE NEW PROGRAMS BEING CONSIDERED SUCH AS COMMUNITY HEALTH WORKER, TELEMEDICINE AND COMMUNITY PARAMEDICINE AND TO REPORT ITS FINDINGS TO THE FEBRUARY 2017 IFC FOR CONSIDERATION.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (SENATOR TITUS ABSTAINED FROM THE VOTE.)

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SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit E-278 of B/A 101-3243 recommends an additional \$8.8 million, which includes \$3 million General Fund appropriation, to increase the reimbursement rate beginning in FY 2017 for nursing services provided in the home by 25 percent in the aggregate. The Agency is experiencing access to care issues with home-based nursing services, putting recipients at risk of institutionalization.

E-278 Educated and Healthy Citizenry — Page DHHS-DHCFP-52

Do the Subcommittees wish to approve increasing the reimbursement rate for home-based nursing services by 25 percent beginning in FY 2017 as recommended by the Governor?

ASSEMBLYWOMAN KIRKPATRICK MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-278 IN B/A 101-3243 INCREASING THE REIMBURSEMENT RATE FOR HOME-BASED NURSING SERVICES BY 25 PERCENT BEGINNING IN FY 2017 AS RECOMMENDED BY THE GOVERNOR.

SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (SENATOR TITUS ABSTAINED FROM THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit E-279 of B/A 101-3243, pages 38 and 39 of [Exhibit C](#), recommends additional federal funding of \$3.8 million is recommended in FY 2017 to increase the reimbursement rate for Intellectual Disabilities and Related Conditions (IDRC) waiver services by 5.7 percent. The funding would be transferred to the ADSD, which reimburses providers for medical services provided to waiver recipients.

E-279 Educated and Healthy Citizenry — Page DHHS-DHCFP-52

The Subcommittees approved a waiver services rate increase in closing the ADSD budgets on May 1. Fiscal staff has completed a technical adjustment to align funding in this budget with revenues budgeted in the ADS budget.

Fiscal staff recommends the Subcommittees approve an IDRC Waiver Services rate increase of 5.7 percent in FY 2017, consistent with its previous action. Fiscal staff requests authority for technical adjustments necessary to align this decision unit with corresponding decision units in the ADSD budget.

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-279 IN B/A 101-3243 FOR A IDRC WAIVER RATE INCREASE OF 5.7 PERCENT IN FY 2017; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY TO ALIGN THIS BUDGET WITH ADSD BUDGETS.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (SENATOR TITUS ABSTAINED FROM THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

In decision unit M-512 of B/A 101-3243 the Governor recommends \$14.2 million, which includes \$5 million General Fund appropriation, in FY 2016 and \$28.4 million, which includes \$9.8 million General Fund appropriation, in FY 2017 to support medical service costs associated with implementing a recent federal mandate that requires states to provide medically necessary behavior intervention services for Medicaid recipients under age 21 with ASD.

M-512 Applied Behavioral Analysis Services — Page DHHS-DHCFP-46

The Governor has identified expanding services for children with ASD as a major budget initiative for the 2015-2017 biennium. In July 2014, CMS issued policy guidance for states indicating that Medicaid must provide the full array of medically necessary services to children with ASD. The Agency is proposing to begin covering behavior intervention services, particularly ABA services, for Medicaid recipients up to the age of 21. The ABA is an evidence-based behavior intervention service, which is intended to increase useful behaviors and reduce behaviors that may be harmful or interfere with learning in order to bring about meaningful behavior change. The CMS has not established a deadline for states to comply with the ASD mandate, but directed states to work expeditiously in order to avoid delaying providing medically necessary services to children with ASD. The Agency plans to begin covering these services in January 2016.

The Executive Budget indicates approximately 1,900 children in the 2015-2017 biennium would receive services funded through this decision unit, including 250 children projected to receive Medicaid-funded services through the ADSD's Autism Treatment Assistance Program. Additional information is provided on pages 39 to 41 of [Exhibit C](#) regarding the ABA services, treatment programs and available provider network.

Considering ABA is a new benefit that the Agency has not previously offered, the Subcommittees may wish to consider issuing a letter of intent directing the Agency to report on the implementation of the ABA, including caseload, provider enrollment and actual costs incurred.

Do the Subcommittees wish to approve \$5 million General Fund appropriation in FY 2016 and \$9.8 million General Fund appropriation in FY 2017 coverage for

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ABA services, as recommended by the Governor and issue a letter of intent directing the Agency to report quarterly on its implementation of the ABA benefit?

Assemblywoman Carlton:

Does the table on the bottom of page 40 represent the maximum hours of ABA services that can be provided?

Ms. Crocket:

This table shows the average number of service hours typically required for the various age groups. Hours will be approved based upon medical evidence and each child's individual needs.

Assemblywoman Carlton:

I am not supportive of limiting hours by age group. When this is done, children one day a part in age could get a different level of care. This was brought up during the discussions on Assembly Bill (A.B.) 6. I want to make certain the children will receive the number of hours and the level of service the medical provider deems necessary.

ASSEMBLY BILL 6 (1st Reprint): Revises provisions relating to autism spectrum disorders. (BDR 54-67)

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT M-512 IN B/A 101-3243 AS RECOMMENDED BY THE GOVERNOR; AND TO APPROVE ISSUING A LETTER OF INTENT, DIRECTING THE AGENCY TO REPORT QUARTERLY ON ITS IMPLEMENTATION OF THE ABA BENEFIT INCLUDING CASELOAD, PROVIDER ENROLLMENT AND ACTUAL COSTS INCURRED.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Crocket:

The Governor recommends implementing cost saving measures and reducing funding by \$51.3 million, which includes \$17.4 million General Fund appropriation, in FY 2016 and \$65.3 million, includes \$22.1 million General Fund appropriation, in FY 2017 as described on pages 42 through 48 of [Exhibit C](#).

Decision unit E-227 of B/A 101-3243 includes funding reductions totaling \$38 million, includes \$13.3 million General Fund appropriation, in the 2015-2017 biennium resulting from implementing the Health Care Guidance Program (HCGP). The HCGP requires certain fee-for-service Medicaid recipients with chronic conditions who are not otherwise required to enroll in a MCO to enroll in a contracted care management organization (CMO) in order to improve patient health and reduce medical expenditures.

E-227 Efficient and Responsive State Government — Page DHHS-DHCFP-47

The Agency worked with CMS for some time to obtain approval for a demonstration waiver to allow the enrollment of fee-for-service recipients in a CMO. The waiver was approved as a 5-year project beginning on July 1, 2013, allowing for the enrollment of up to 41,500 recipients in the Program. The Program is operated through a contractor who receives a \$15.35 per member per month capitated rate for providing services. The contractor began enrolling recipients in June 2014. Approximately, 38,000 recipients are currently enrolled. The Agency projects that medical services costs for recipients enrolled would decrease by 5 percent, generating the savings recommended in this decision unit, which are net of capitation costs. The 5 percent reduction in medical service costs was projected by the Agency's actuary.

Fiscal staff asked the Agency whether any information exists regarding cost savings realized since the program was implemented in 2014. The Agency indicated there had not been sufficient time since implementing the program to develop cost savings estimates. However, the Agency's actuary will review the HCGP after 1 year and determine the amount of savings attributable to the program.

Do the Subcommittees wish to approve savings totaling \$38 million that includes \$13.3 million in General Fund appropriations associated with the HCGP?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-227 IN B/A 101-3243 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit E-228 of B/A 101-3243 recommends the rate for dental fluoride be reduced from \$53.30 to \$15, a 72 percent decrease, resulting in savings of \$2 million, \$701,431 General Fund appropriation, over the biennium. The Agency believes Medicaid is currently overpaying for this service and has been reimbursing providers above the UPL of \$12.30. The Agency does not anticipate this reduction would create access to care issues for recipients.

E-228 Efficient and Responsive State Government — Page DHHS-DHCFP-48

Decision unit E-230 of B/A 101-3243 recommends the per member-per-month capitated rate for the State's contracted nonemergency transportation broker, which arranges transportation for Medicaid recipients to medically necessary services, be reduced by 75 cents per member per month. The reasoning

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supporting this reduction is described on pages 43 and 44 of [Exhibit C](#). This would generate savings of \$10.1 million, \$2.5 million General Fund appropriation, over the biennium.

E-230 Efficient and Responsive State Government — Page DHHS-DHCFP-49

Do the Subcommittees wish to approve these two rate reductions as recommended by the Governor?

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNITS E-228 AND E-230 IN B/A 101-3243 AS RECOMMENDED BY THE GOVERNOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Personal care services are provided to recipients to assist, support and maintain recipients independently in the home environment and include assistance with bathing, walking, meal preparation, eating and light housekeeping. In 2011, the Agency implemented a functional assessment process for personal care services to ensure that the provision of services was limited to recipients having a specific medical need. Consequently, fewer units of service are anticipated in the future, resulting in a 5 percent decrease in utilization of personal care services. The Agency projects savings totaling \$8.4 million, \$2.9 million in General Fund appropriation, would result from this policy change in the 2015-2017 biennium as reflected in decision unit E-226 of B/A 101-3243.

E-226 Efficient and Responsive State Government — Page DHHS-DHCFP-47

Basic skills training are interventions designed to reduce cognitive and behavioral impairments and teach recipients a variety of life skills including

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self-care skills, social skills, communication skills and time management. The Agency recently implemented a prior authorization requirement for basic skills training and restricted services to a maximum of 2 hours per day. Savings totaling \$27 million, \$9.4 million General Fund appropriation, are projected to result from this policy change in the 2015-2017 biennium in decision unit E-232 of B/A 101-3243.

E-232 Efficient and Responsive State Government — Page DHHS-DHCFP-50

Do the Subcommittees wish to approve decision units E-226 and E-232 service utilization reductions as recommended by the Governor?

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNITS E-226 AND E-232 IN B/A 101-3243 AS RECOMMENDED BY THE GOVERNOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblywoman Titus:

I have concerns about decreasing personal care services and basic skills training. Keeping people in their own homes and allowing families to care for their loved ones results in overall savings to the family and to society as a whole.

Senator Kieckhefer:

I am comfortable with both these reductions. Every program has standards for acceptance into the program. The functional assessment is intended to ensure the personal care services are provided only to those who need it. It is believed services were being provided and paid for that were not warranted based upon the individual needs. The Legislative Counsel Bureau (LCB) Audit Division provided a performance report last week regarding overpayments in the basic skills training.

Assemblywoman Titus:

When the personal care services are reduced or denied, I understand the affected individual can request a fair hearing. I am interested in seeing the hearing information surrounding this issue at a later date.

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Assemblyman Sprinkle:

The performance audit report given by the LCB Audit Division indicated overpayments were occurring in the basic skills training area because the MMIS does not have a mechanism in place to limit basic skills training services to a certain number of hours per day. It will be critical for the Agency to move forward to update the MMIS to ensure the overpayments do not continue in the future and the projected cost savings occur.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision unit M-501 of B/A 101-3243 recommends funding reductions of \$12.2 million, which includes \$4.2 million General Fund appropriation, in FY 2017 for cost savings associated with implementing a federally mandated electronic asset verification system in the DHHS Division of Welfare and Supportive Services (DWSS) for MAABD recipients. This system would be used by DWSS eligibility staff to verify at application and during the annual redetermination that the Medicaid applicants/recipients do not have assets that would disqualify them from Medicaid coverage. The Agency anticipates the asset verification process would reduce the MAABD caseload by 5 percent.

M-501 Asset Verification System — Page DHHS-DHCFP-45

Fiscal staff has completed a couple of technical adjustments discussed on page 45 of [Exhibit C](#).

Do the Subcommittees wish to approve savings associated with implementing a federally mandated asset verification system, with the noted technical adjustments, contingent upon the approval of decision unit M-501 in the DWSS Administration budget, B/A 101-3228?

HHS-Welfare - Administration — Budget Page DHHS-DWSS-12 (Volume II)
Budget Account 101-3228

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M-501 Mandates — Page DHHS-DWSS-16

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT M-501 IN B/A 101-3243 IMPLEMENTING A FEDERALLY MANDATED ASSET VERIFICATION SYSTEM WITH THE NOTED TECHNICAL ADJUSTMENTS MADE BY FISCAL STAFF AND CONTINGENT UPON THE APPROVAL OF DECISION UNIT M-501 IN THE DWSS ADMINISTRATION BUDGET, B/A 101-3228.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblywoman Titus:

What is the impact of the Achieving a Better Life Experience (ABLE) Act on this?

Ms. Crocket:

The ABLE Act will protect funds in special accounts designated as ABLE monies. The Agency does not believe this will have a substantial impact on the estimated cost savings.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Crocket:

Funding reductions of \$2.6 million, which includes \$867,683 General Fund appropriation, are recommended in decision unit E-225 of B/A 101-3243 for savings associated with continuing the expansion of the Agency's Preferred Drug List.

E-225 Efficient and Responsive State Government — Page DHHS-DHCFP-46

The Preferred Drug List is a method of encouraging or emphasizing the prescribing, dispensing and reimbursement of specific prescription drugs for particular treatments. Temporary provisions in *Nevada Revised Statute* (NRS)

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422.4025, set to expire July 1, 2015, currently allow Medicaid to include typical and atypical antipsychotics, anticonvulsants and antidiabetic medications on its Preferred Drug List, thereby reducing the cost of these medications. Senate Bill 422, as amended, currently in the Senate Committee on Finance, would delay the expiration of the temporary provisions in NRS 422.4025 until June 30, 2017.

SENATE BILL 422 (1st Reprint): Allows for the continued inclusion of certain drugs on the list of preferred prescription drugs to be used for the Medicaid program. (BDR 38-1159)

Fiscal staff has completed technical adjustments to correct an error in the Agency's savings calculation, which overstated the amount drug rebates would decrease as a result of lower prescription drug costs. This saves \$3.7 million over the 2015-2017 biennium, which includes \$1.2 million in General Fund savings. The Agency agrees with this correction.

Do the Subcommittees wish to approve savings totaling \$3.7 million over the 2015-2017 biennium associated with continuing the expanded Preferred Drug List in the 2015-2017 biennium, including the technical adjustments made by Fiscal staff and contingent upon the passage and approval of S.B. 422?

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-225 IN B/A 101-3243 SAVING \$3.7 MILLION OVER THE 2015-2017 BIENNIUM ASSOCIATED WITH CONTINUING THE EXPANDED PREFERRED DRUG LIST, INCLUDING TECHNICAL ADJUSTMENTS BY FISCAL STAFF, AND CONTINGENT UPON THE PASSAGE AND APPROVAL OF S.B. 422.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblywoman Titus:

How are savings realized on the Preferred Drug List?

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Ms. Crocket:

The Agency receives a preferential price and a higher rebate percentage for drugs on the Preferred Drug List.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN CARLTON VOTED NO.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Crocket:

Decision unit E-231 of B/A 101-3243, page 46 of [Exhibit C](#), recommends funding reductions totaling \$11.7 million, which includes \$4.1 million General Fund appropriation, over the 2015-2017 biennium for recovering funding from other entities that are legally responsible for paying for medical services provided to Medicaid recipients. According to federal law, Medicaid is the payer of last resort. The Agency engages a contractor to review for third-party liability.

E-231 Efficient and Responsive State Government — Page DHHS-DHCFP-49

Do the Subcommittees wish to approve savings totaling \$11.7 million over the 2015-2017 biennium associated with third-party liability recoveries, as recommended by the Governor?

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-231 IN B/A 101-3243 SAVING \$11.7 MILLION OVER THE 2015-2017 BIENNIUM ASSOCIATED WITH THIRD-PARTY LIABILITY RECOVERIES AS RECOMMENDED BY THE GOVERNOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision units M-502 and E-229 of B/A 101-3243, page 46 of [Exhibit C](#), recommend funding reductions of \$4.5 million, of which \$1.4 million is General Fund appropriation, for increased recoupment of improper payments associated with recommended increases in program integrity staff in the Administration's budget.

M-502 Program Integrity Recoveries — Page DHHS-DHCFP-45

E-229 Efficient and Responsive State Government — Page DHHS-DHCFP-48

Do the Subcommittees wish to approve savings of \$4.5 million over the biennium associated with recommended increases in the SUR Section staffing, contingent upon decisions regarding additional staffing in the Administration budget?

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNITS M-502 AND E-229 IN B/A 101-3243 SAVING \$4.5 MILLION OVER THE BIENNIUM ASSOCIATED WITH RECOMMENDED INCREASES IN SUR SECTION STAFFING, CONTINGENT UPON DECISIONS REGARDING ADDITIONAL STAFFING IN THE ADMINISTRATION BUDGET.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Considering the magnitude of cost-saving measures included in the Executive Budget, the Subcommittees may wish to consider issuing a letter of intent directing the Agency to report to IFC on the degree to which cost savings materialize over the 2015-2017 biennium, including savings associated with the HC GP, savings associated with basic skills training and personal care services policy changes and caseload reductions resulting from the asset verification system.

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE ISSUING A LETTER OF INTENT DIRECTING THE AGENCY TO REPORT TO IFC B/A 101-3243 COST SAVINGS RESULTING FROM THE HC GP, SAVINGS ASSOCIATED WITH THE BASIC SKILLS TRAINING AND PERSONAL CARE SERVICES POLICY CHANGES, AND CASELOAD REDUCTIONS RESULTING FROM THE ASSET VERIFICATION SYSTEM.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Crocket:

The Governor recommends in decision units M-201, M-202 and M-203 of B/A 101-3243 \$1.1 million in funding, which includes \$350,041 General Fund appropriation, in FY 2016 and \$3.7 million, of which \$1 million is General Fund appropriation, in FY 2017 for increased medical services costs associated with expanding the number of WIN waiver slots for the Agency's three approved Medicaid home and community based services waiver programs as described on pages 47 and 48 of [Exhibit C](#).

M-201 Demographics/Caseload Changes — Page DHHS-DHCFP-43
M-202 Demographics/Caseload Changes — Page DHHS-DHCFP-44
M-203 Demographics/Caseload Changes — Page DHHS-DHCFP-44

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Do the Subcommittees wish to approve adding 51 waiver slots for persons with physical disabilities, 93 waiver slots for persons with intellectual disabilities and related conditions and 173 waiver slots for the frail elderly in the 2015-2017 biennium?

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNITS M-201, M-202 AND M-203 OF B/A 101-3243 AS RECOMMENDED BY THE GOVERNOR INCREASING THE WIN WAIVER SLOTS FOR THE AGENCY'S THREE APPROVED MEDICAID HOME AND COMMUNITY BASED SERVICES WAIVER PROGRAMS BY ADDING 51 WAIVER SLOTS FOR PERSONS WITH PHYSICAL DISABILITIES, 93 WAIVER SLOTS FOR PERSONS WITH INTELLECTUAL DISABILITIES AND RELATED CONDITIONS AND 173 WAIVER SLOTS FOR THE FRAIL ELDERLY.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Crocket:

Two other closing items and an informational item for B/A 101-3243 are described on page 48 of [Exhibit C](#). Fiscal staff recommends these items be approved as recommended by the Governor with the noted technical adjustments and request authority to make further technical adjustments to this budget as necessary.

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE OTHER CLOSING ITEMS FOR B/A 101-3243 AS RECOMMENDED BY THE GOVERNOR WITH THE NOTED TECHNICAL ADJUSTMENTS, AND AUTHORIZE FISCAL STAFF TO MAKE FURTHER TECHNICAL ADJUSTMENTS TO B/A 101-3243 AS NEEDED.

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SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Nevada's Child Health Insurance Program under Title XXI of the Social Security Act is called the Nevada Check Up program, B/A 101-3178, discussed on pages 49 through 54 of [Exhibit C](#). This program covers uninsured children who are not eligible for Medicaid whose family income is at or below 205 percent of the federal poverty level. Families are assessed quarterly premiums based on family size and income.

HHS-DHCFP - Nevada Check-Up Program — Budget Page DHHS-DHCFP-36
(Volume II)
Budget Account 101-3178

The first major closing issue is the federal Title XXI allotments. The federal component of the Nevada Check Up program is not an entitlement program like Medicaid. Annual expenditures are capped at the federal level and states receive an annual allotment of Title XXI funding. In the DHCFP, Title XXI funding supports the Nevada Check Up program in this budget, the Nevada Check Up to Medicaid population in the Medicaid budget and associated administrative costs in the Administration budget as shown on the table on page 50 of [Exhibit C](#).

The Governor's recommended budget contains approximately \$50.8 million in Title XXI funding for FY 2016 and \$54.6 million in FY 2017. For comparison, the federal FY 2015 Title XXI allotment is \$43.1 million, or approximately 15 percent less than the \$50.8 million recommended for FY 2016. The Agency projects that its federal FY 2016 allotment will be \$43.5 million. The federal allotment for FY 2017 is unknown at this time.

In addition to the amount of Title XXI funding recommended in the Executive Budget, the Subcommittees expressed an interest to support the

projected Nevada Check Up caseload growth over the 2015-2017 biennium and to expand eligibility to allow children of State employees to enroll in Nevada Check Up. Additional Title XXI funding would be required for both those options. The second table on page 50 of [Exhibit C](#) shows the increased costs for adding these options.

Considering the increase in projected caseload in the 2015-2017 biennium and the Subcommittees' interest in expanding eligibility to children of State employees, Fiscal staff asked the Agency whether Title XXI allotments would be sufficient to support the expanded program expenditures. The Agency responded it would be. If Nevada exhausted its allotment, it could apply for an increase. In addition, a provision in the ACA temporarily increases the Nevada Check Up enhanced FMAP rate by 23 percent beginning October 1, 2015. The increase is set to expire September 30, 2019.

The Subcommittees may wish to consider issuing a letter of intent, directing the Agency to report to the IFC on its Title XXI allotment, including the amount of funding available and the amount of funding necessary to cover projected program expenditures.

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE ISSUING A LETTER OF INTENT DIRECTING THE AGENCY TO REPORT TO THE IFC ON B/A 101-3178 ITS TITLE XXI ALLOTMENT, INCLUDING THE AMOUNT OF FUNDING AVAILABLE AND THE AMOUNT OF FUNDING NECESSARY TO COVER PROJECTED PROGRAM EXPENDITURES.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Assemblywoman Titus:

What portion of the Title XXI dollars is for administration and what portion is for medical service reimbursement?

Ms. Crocket:

The table on page 50 of [Exhibit C](#) shows the breakdown. All the funds listed are for reimbursement of medical services except the line labeled "Administration."

The second major closing item is the Nevada Check Up caseload. Decision unit M-200 of B/A 101-3178 recommends funding reductions totaling \$25.2 million, which includes \$1 million General Fund appropriation, over the 2015-2017 biennium to reduce the Nevada Check Up monthly caseload to 13,974 in each year of the 2015-2017 biennium, from the FY 2014 actual average monthly caseload of 21,771. The November 2014 projections, based on actual October 2014 caseload, showed the caseload declining throughout FY 2015. It decreases from 24,062 actual cases in July 2014 to 13,974 in projected cases in June 2015.

M-200 Demographics/Caseload Changes — Page DHHS-DHCFP-37

The Nevada Check Up caseload decreased because recipients are transitioning to other health care programs or choosing other health care coverage options. Specifically, provisions of the ACA transition certain Nevada Check Up recipients to Medicaid and make subsidized private health insurance available to families that are also eligible for Nevada Check Up through the Silver State Health Insurance Exchange. Children age 6 to 18 with family incomes between 123 percent and 138 percent of the federal poverty level were eligible for Nevada Check Up coverage prior to the ACA are now eligible for Medicaid coverage, referred to as the Nevada Check Up to Medicaid population. The March 2015 caseload projections, based on February 2015 actual caseload, include an average monthly Nevada Check Up to Medicaid caseload of 12,239 in FY 2016 and 12,110 in FY 2017. The number of Nevada Check Up recipients that transitioned to subsidized private insurance is unknown.

However, Nevada Check Up caseload decreases have not materialized to the degree originally anticipated. The most recent caseload projections, based on

March 2015 actual caseload, predict monthly average Nevada Check Up caseloads of 16,670 in FY 2016 and 16,667 in FY 2017. This is approximately 19 percent higher than the caseload projections included in the Executive Budget.

The Nevada Check Up program is not an entitlement program. The State has the option of capping program enrollment and establishing a waiting list. A State Plan amendment would be required to implement an enrollment cap.

If the Subcommittees wish to align funding in this budget with the most recent caseload projections, additional funding totaling \$4.6 million, including \$337,249 in General Fund appropriation, in FY 2016 and \$4.8 million, of which \$60,522 is General Fund appropriation, in FY 2017 would be required in this budget including other decision units in this budget.

The Subcommittees may wish to approve one of the following options.

- Approve monthly average Nevada Check Up caseload of 13,974 throughout the 2015-2017 biennium as recommended in the Executive Budget and instruct the Agency to seek a state plan amendment to cap program enrollment.
- Approve monthly average Nevada Check Up caseload of 16,670 in FY 2016 and 16,667 in FY 2017 to align with the Agency's most recent caseload projections, requiring additional General Fund appropriations of \$397,771 over the 2015-2017 biennium in the Nevada Check Up budget.

Assemblywoman Kirkpatrick:

I choose the second option for updating the caseload projections with the most recent projections.

Assemblyman Sprinkle:

Increasing this caseload is extremely important for the families it would assist. I agree with Assemblywoman Kirkpatrick and support approving the expanded caseload.

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ASSEMBLYWOMAN KIRKPATRICK MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE EXPANDING THE NEVADA CHECK UP CASELOAD IN DECISION UNIT M-200 IN B/A 101-3178 TO ALIGN WITH THE AGENCY'S MOST RECENT CASELOAD PROJECTIONS INCREASING THE GENERAL FUND APPROPRIATION OF \$397,771 OVER THE 2015-2017 BIENNIUM.

SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

During the February 18, 2015, budget hearing the Subcommittees expressed an interest in expanding the Nevada Check Up eligibility to allow State employees who meet Nevada Check Up income eligibility requirements to enroll their children in the Nevada Check Up program.

Provisions in the ACA offer this option when certain criteria are met as described on pages 52 and 53 of [Exhibit C](#). Based on an analysis of State employee wage data, it is estimated the Nevada Check Up monthly caseload would increase by 1,410 from January 2016 to June 2016 and by 2,373 in FY 2017 if Nevada Check Up eligibility were expanded. However, the State has limited access to family income data or comprehensive information about the number of children State employees have.

Fiscal staff calculates additional funding totaling \$1.3 million, which includes \$92,248 General Fund appropriation, in FY 2016 and \$4.4 million, which includes \$54,963 General Fund appropriation, in FY 2017 would be required to expand Nevada Check Up eligibility to allow qualified children of State employees beginning January 2016.

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ASSEMBLYMAN SPRINKLE MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE EXPANDING THE NEVADA CHECK UP CASELOAD IN B/A 101-3178 TO ALLOW CHILDREN OF STATE EMPLOYEES WHO MEET INCOME ELIGIBILITY GUIDELINES TO ENROLL IN THE PROGRAM, CONTINGENT UPON CMS APPROVAL OF A STATE PLAN AMENDMENT, BEGINNING IN JANUARY 2016, WHICH INCLUDES ADDITIONAL GENERAL FUND APPROPRIATIONS OF \$92,248 IN FY 2016 AND \$54,963 IN FY 2017.

SENATOR SMITH SECONDED THE MOTION.

Assemblywoman Carlton:

Considering the open enrollment period, existing employees may not be able to transition their children immediately. We need to keep this in mind when we are doing projections. The coverage can be immediate for new employees.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Decision units M-101, E-275 and E-277 in B/A 101-3178 recommend to provide \$2 million, which includes \$151,642 General Fund appropriation, in FY 2016 and \$2.3 million, which includes \$29,756 General Fund appropriation, in FY 2017 for mandatory and discretionary provider rate increases. The recommended rate increases described on page 53 of [Exhibit C](#) align Nevada Check Up provider reimbursement rates with provider rates recommended in the Medicaid budget.

M-101 Agency Specific Inflation — Page DHHS-DHCFP-36
E-275 Educated and Healthy Citizenry — Page DHHS-DHCFP-38
E-277 Educated and Healthy Citizenry — Page DHHS-DHCFP-38

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SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNITS M-101, E-275 AND E-277 IN B/A 101-3178 AS RECOMMENDED BY THE GOVERNOR TO INCREASE PROVIDER RATES TO ALIGN THE RATES WITH THOSE APPROVED IN THE MEDICAID BUDGET.

ASSEMBLYMAN DICKMAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

In decision unit M-512 of B/A 101-3178, the Governor recommends \$1.9 million for behavior intervention services associated with ASD which includes \$64,675 General Fund appropriation,. Fiscal staff suggest this decision unit not include demographic caseload increases associated with the Subcommittees previous closing actions to increase the Nevada Check Up caseload, as the budget for ASD was set to align with the number of providers available. Fiscal staff recommends the Subcommittees approve this item consistent with the closing of the Medicaid budget.

M-512 Applied Behavioral Analysis Services — Page DHHS-DHCFP-37

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT M-512 IN B/A 101-3178 TO PROVIDE \$1.9 MILLION FOR BEHAVIOR INTERVENTION SERVICES ASSOCIATED WITH ASD AS RECOMMENDED BY THE GOVERNOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

As described on page 54 of [Exhibit C](#), the FMAP rate decreased slightly in FY 2017 requiring additional General Fund appropriations of \$7,981 in B/A 101-3178.

Do the Subcommittees wish to approve the revised FMAP rate, requiring additional General Fund appropriations of \$7,981 over the 2015-2017 biennium to address the shortfall and authorize Fiscal staff to make any additional changes that may be necessitated by the Subcommittees' previous closing actions on B/A 101-3178?

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE REVISED FMAP RATE IN B/A 101-3178 REQUIRING AN ADDITIONAL \$7,981 IN GENERAL FUND APPROPRIATIONS; AND TO AUTHORIZE FISCAL STAFF TO MAKE ANY ADDITIONAL CHANGES, INCLUDING SLIGHT GENERAL FUND INCREASES, ASSOCIATED WITH THE SUBCOMMITTEES' PREVIOUS CLOSING ACTIONS ON B/A 101-3178.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

Do the Subcommittees wish to eliminate decision units E-513 and E-913 of B/A 101-3178, page 54 of [Exhibit C](#), consistent with its decision in closing the

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DPBH Immunization Budget, B/A 101-3213, with the necessary technical adjustments made by Fiscal staff?

E-513 Adjustments To Transfer E913 — Page DHHS-DHCFP-39
E-913 Tran Frm Public Health To Health Care Fin & Policy — Page
DHHS-DHCFP-39

HHS-DPBH - Immunization Program — Budget Page DHHS - PUBLIC HEALTH-51
(Volume II)
Budget Account 101-3213

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO ELIMINATE DECISION UNITS E-513 AND E-913 IN B/A 101-3178, CONSISTENT WITH ITS DECISION IN CLOSING B/A 101-3213; AND TO AUTHORIZE FISCAL STAFF TO MAKE FURTHER TECHNICAL ADJUSTMENTS TO B/A 101-3178 AS NEEDED.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The UPL Holding Account, B/A 101-3260, is discussed on pages 55, 56 and 57 of [Exhibit C](#).

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HHS-DO - UPL Holding Account — Budget Page DHHS-DIRECTOR-20
(Volume II)
Budget Account 101-3260

The major closing issue in B/A 101-3260 is the continuation of this account. We previously discussed the UPL Holding Account and its relationship to

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supplemental payments in the Medicaid Program in closing the Intergovernmental Transfer budget, B/A 101-3157. Fiscal staff has completed technical adjustments to align receipts and transfers from this budget to Medicaid with the most recent projections. Fiscal staff notes that statutory language would need to be added to the back language of the Appropriations Act to continue the use of the UPL holding account, B/A 101-3260, in the 2015-2017 biennium.

Do the Subcommittees wish to approve B/A 101-3260 as recommended by the Governor with technical adjustments? Fiscal staff requests authority for further technical adjustments as necessary.

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-3260 AS RECOMMENDED BY THE GOVERNOR WITH THE TECHNICAL ADJUSTMENTS MADE BY FISCAL STAFF AND WITH THE AUTHORITY FOR FISCAL STAFF TO MAKE FURTHER TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The Indigent Hospital Care account, B/A 628-3244, is discussed on pages 58 and 59 of [Exhibit C](#). The major closing issue in this account is the transfer of funding to the DHCFF.

HHS-DO - Indigent Hospital Care — Budget Page DHHS-DIRECTOR-41
(Volume II)
Budget Account 628-3244

Historically, this budget has been used to provide reimbursement to Nevada counties for unpaid hospital charges for medical treatment of

indigent persons and to hospitals for care provided to indigent persons injured in motor vehicle accidents in Nevada. During the 2013 Legislative Session, it was predicted that unpaid hospital charges would decrease as a result of provisions in the ACA, including the individual insurance mandate and Medicaid expansion, reducing the need for payments to counties and hospitals from this budget. Legislation was passed authorizing the Board of Trustees of the Fund for Hospital Care to Indigent Persons to enter into an agreement with the DHCFP to transfer funds from this budget to DHCFP. This agreement would provide for enhanced reimbursement rates for hospital care for Medicaid recipients, to satisfy any portion of a county's obligation to pay the State share of certain Medicaid expenditures relating to long-term care or make supplemental payments to hospitals in accordance with the State Plan for Medicaid.

At its August 14, 2013, meeting the Board of Trustees approved utilizing funding from this budget to provide the State share of a new Medicaid supplemental payment program, known as the Indigent Accident Fund Upper Payment Limit program and to provide relief to counties that are unable to meet the obligation to fund their portion of the State share of costs associated with the county indigent population in the Medicaid budget. The IFC approved transferring funding from this budget to the DHCFP for these purposes at its meeting of October 22, 2014.

The Executive Budget recommends continuing the transfer of funding from this budget to the DHCFP to support the State share of the Indigent Accident Fund Upper Payment Limit program and includes transfers of \$13.5 million in FY 2016 and \$14.1 million in FY 2017. Additionally, the Governor's budget recommends \$60,000 per year for administrative costs and \$500,000 in each year to pay claims to hospitals and counties for unpaid hospital charges.

Fiscal staff has completed technical adjustments to decrease \$.015 ad valorem tax revenues from \$12.2 million to \$12.1 million in FY 2016 and from \$12.8 million to \$12.6 million in FY 2017 to align with April 2015 tax revenue projections. A corresponding technical adjustment was completed to decrease transfers to the DHCFP.

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Do the Subcommittees wish to approve B/A 628-3244 as recommended by the Governor, including the transfer of funding to the DHCFP to support the Indigent Accident Fund Upper Payment Limit program with the noted technical adjustment?

SENATOR SMITH MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 628-3244 AS RECOMMENDED BY THE GOVERNOR INCLUDING THE TRANSFER OF FUNDING TO THE DHCFP TO SUPPORT THE INDIGENT ACCIDENT FUND UPPER PAYMENT LIMIT PROGRAM WITH THE NOTED TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Leandra Copeland (Program Analyst):

The Welfare Administration account, B/A 101-3228, is discussed on pages 60 through 66 of [Exhibit C](#).

WELFARE AND SUPPORTIVE SERVICES

HHS-Welfare - Administration — Budget Page DHHS-DWSS-12 (Volume II)
Budget Account 101-3228

The first major closing issue is caseload increases funded in decision unit M-200.

M-200 Demographics/Caseload Changes — Page DHHS-DWSS-15

In order to address the administrative needs of the 139 new positions recommended for the Field Services budget, B/A 101-3233, the Governor recommends \$1.5 million, which includes \$573,928 General Fund appropriations, in FY 2016 and \$1.7 million, which includes \$709,842

General Fund appropriations, in FY 2017, to provide seven new administrative positions and additional operating costs in the Welfare Administration budget, B/A 101-3228, as described on page 62 of [Exhibit C](#). The positions would start in October 2015.

HHS-Welfare - Field Services — Budget Page DHHS-DWSS-29 (Volume II)
Budget Account 101-3233

During the March 5 budget hearing, the Subcommittees expressed concern about all the new administrative positions starting October 1, 2015, when the 139 new positions in B/A 101-3233 are phased in over the biennium. In response, the Agency indicated they were proposing to do this because of the unanticipated caseload growth that occurred in the current biennium and because they wanted to have all the administrative positions fully trained and in place before the second round of hiring begins in FY 2017.

In response to the Subcommittees' request, the Agency provided an option to delay four positions: social services chief, social services program specialist and two IT professionals until January 2016 with the remaining four requested positions to retain their original start date of October 2015. This option saves \$76,428, which includes \$28,072 in General Fund appropriations.

Fiscal staff notes that if the Subcommittees approve fewer positions in the Field Services budget, B/A 101-3233, to support caseload growth, it could consider reducing the number of administrative support positions in this budget; however, the administrative positions are more specialized. Of the seven requested positions, each one is unique except for the two IT professionals. The IT professionals could be reduced from two to one if fewer positions are approved in the Field Services budget.

If the Subcommittees wish to approve administrative positions to support the projected caseload growth, it could consider three options listed on page 63 of [Exhibit C](#). Staff notes that the Subcommittees' actions for this item should be consistent with the caseload growth closing action taken in B/A 101-3233.

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Senator Kieckhefer:

Considering the work the Agency has done to provide some alternatives for the new staff in B/A 101-3233, I would feel comfortable choosing Option C.

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN DECISION UNIT M-200 OF B/A 101-3228 \$1.4 MILLION, OF WHICH APPROXIMATELY \$536,493 IS GENERAL FUND APPROPRIATIONS, IN FY 2016 AND \$1.6 MILLION, WHICH INCLUDES APPROXIMATELY \$686,580 IN GENERAL FUND APPROPRIATIONS, IN FY 2017 TO PROVIDE ADDITIONAL OPERATING COSTS AND SIX NEW ADMINISTRATIVE POSITIONS, MINUS ONE IT PROFESSIONAL, WITH THREE POSITIONS BEGINNING IN OCTOBER 2015 AND THREE POSITIONS BEGINNING IN JANUARY 2016.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION

Assemblywoman Titus:

Will the new telecommunications coordinator be involved in the potential new expansion for telehealth and other payments that will be authorized through the Medicaid program?

Ms. Copeland:

Telehealth is not mentioned in the justification for this position. The Agency uses a ratio of field staff to IT staff to determine the number of positions needed.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

Decision unit M-501 of B/A 101-3228 recommends \$680,000, which includes \$68,000 General Fund appropriation, in FY 2016 and \$454,000, which includes \$113,500 General Fund appropriation, in FY 2017, to implement a federally mandated electronic financial asset verification system (AVS) for Aged, Blind

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and Disabled (ABD) Medicaid applicants and recipients as described on page 63 of [Exhibit C](#). The AVS is designed to locate undisclosed client resources held in financial institutions. This is a federal mandate, and noncompliance could result in the loss of the 50 percent federal match funds for the ABD population.

M-501 Mandates — Page DHHS-DWSS-16

The Agency estimates a 5 percent savings on AVS eligible cases. With the technical adjustment noted in the Medicaid budget, there is an estimated savings of \$13.3 million, which includes \$4.6 million savings in General Fund appropriations, projected in FY 2017 that would be realized by disqualifying applicants and recipients whose net worth exceeds the Medicaid threshold.

Do the Subcommittees wish to approve the Governor's recommendation of \$680,000, which includes \$170,000 General Fund appropriation, as adjusted by Fiscal staff in FY 2016 and \$454,000, which includes \$113,500 General Fund appropriation, in FY 2017, and the technical adjustment to correct the funding split to implement a federally mandated electronic financial AVS for ABD Medicaid applicants and recipients?

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT M-501 IN B/A 101-3228, AS RECOMMENDED BY THE GOVERNOR, WITH THE TECHNICAL ADJUSTMENT TO CORRECT THE FUNDING SPLIT, TO IMPLEMENT A FEDERALLY MANDATED ELECTRONIC FINANCIAL AVS FOR ABD MEDICAID APPLICANTS AND RECIPIENTS.

SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

The Governor recommends in decision unit E-228 of B/A 101-3228 providing \$608,000, which includes \$353,493 General Fund appropriation, in FY 2017 to aggregate and manage all business-related documents on a single system within the Agency. The system will store documents in one place, contain document versioning and electronic routing and save disk space by eliminating duplication.

E-228 Efficient and Responsive State Government — Page DHHS-DWSS-16

Fiscal staff made a technical adjustment reducing the cost by \$108,736 based on a revised quote for a commercial off-the-shelf option costing \$499,264. The Agency inquired about possible cost sharing opportunities with other State agencies. The DWSS provided staff with a January 2015 email in which DWSS questioned the vendor about tiered pricing for bulk users. The vendor responded that the State already purchases the software at the lowest level so no lower price tiers are available.

Do the Subcommittees wish to approve the Governor's recommendation of \$499,264, which includes \$290,273 in General Fund appropriation, in FY 2017 for a document management system and the adjustment for the revised quote?

ASSEMBLYMAN HAMBRICK MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-228 IN B/A 101-3228, AS RECOMMENDED BY THE GOVERNOR, AND THE TECHNICAL ADJUSTMENT TO CORRECT THE FUNDING SPLIT TO IMPLEMENT A FEDERALLY MANDATED ELECTRONIC FINANCIAL AVS FOR ABD MEDICAID APPLICANTS AND RECIPIENTS.

SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

In decision unit E-232 of B/A 101-3228, the Governor recommends \$110,723, which includes \$35,440 General Fund appropriation, in FY 2016 and \$135,924, which includes \$43,513 General Fund appropriation, in FY 2017 for a new unclassified deputy administrator to alleviate the current workload placed on existing management. The Agency indicates that its current and future growth of the organization supports a new deputy administrator as described on pages 64 and 65 of [Exhibit C](#).

E-232 Efficient and Responsive State Government — Page DHHS-DWSS-17

Do the Subcommittees wish to approve the Governor's recommendation of \$110,723, which includes \$35,440 General Fund appropriation, in FY 2016 and \$135,924, which includes \$43,513 General Fund appropriation, in FY 2017 for a new unclassified deputy administrator? The salary of the position will be established in the Pay Bill to be considered at a later date.

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE A NEW DEPUTY ADMINISTRATOR POSITION IN DECISION UNIT E-232 IN B/A 101-3228 AS RECOMMENDED BY THE GOVERNOR, WITH THE SALARY OF THE POSITION BEING ESTABLISHED IN THE PAY BILL TO BE CONSIDERED AT A LATER DATE.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

There are four other closing items in B/A 101-3228, consisting of six decision units—E-900, E-500, E-901, E-501, E-710 and E-806—as described on pages 65 and 66 of [Exhibit C](#).

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E-900 Transfer From BA 3233 To BA 3228 — Page DHHS-DWSS-20
E-500 Adjustments To Transfers — Page DHHS-DWSS-18
E-901 Transfer From BA 3267 To BA 3228 — Page DHHS-DWSS-21
E-501 Adjustments To Transfers — Page DHHS-DWSS-18
E-710 Equipment Replacement — Page DHHS-DWSS-19
E-806 Unclassified Position Salary Increases — Page DHHS-DWSS-20

Fiscal staff made technical adjustments to correct phone system lease costs in the Executive Budget amounting to \$268,372, with General Fund appropriations of \$84,752 in FY 2016 and \$84,698 in FY 2017 in each year of the 2015-2017 biennium. Additionally, due to the age of the software, some items were removed from equipment replacement in decision unit E-710.

Do the Subcommittees wish to approve the other closing items as recommended by the Governor, with the technical adjustments noted and grant fiscal staff authority to make other technical adjustments as needed?

SENATOR SMITH MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE OTHER CLOSING ITEMS IN B/A 101-3228, INCLUDING DECISION UNITS E-500, E-501, E-710, E-806 AND E-900, E-901, AS RECOMMENDED BY THE GOVERNOR, WITH THE TECHNICAL ADJUSTMENTS NOTED, AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

The Temporary Assistance for Needy Families (TANF) B/A 101-3230 is discussed on pages 67, 68 and 69 of [Exhibit C](#).

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HHS-Welfare - TANF — Budget Page DHHS-DWSS-24 (Volume II)
Budget Account 101-3230

Decision Unit M-200 includes federal TANF funding of \$3.9 million in FY 2016 and \$4.6 million in FY 2017 to fund cash assistance payments for projected increases in TANF recipients over the 2015-2017 biennium.

M-200 Demographics/Caseload Changes — Page DHHS-DWSS-25

Based on March 2015 reprojected caseload data as shown in the table on page 68 of [Exhibit C](#), DWSS projects TANF cash assistance expenditures to decline from \$51.7 million in the Governor's recommended budget to \$44.9 million in FY 2016 and from \$52.4 million to \$45.6 million in FY 2017. In addition, DWSS projections indicate an expected decline in work support benefits from \$2.5 million in the Governor's recommended budget to \$2.2 million in FY 2016 and \$2.6 million to \$2.2 million in FY 2017. In total, federal TANF revenue is decreasing by \$7.1 million in each year of the 2015-2017 biennium, to account for the revised projections. Fiscal staff notes the General Fund maintenance of effort provision is not impacted by changes in caseload.

Do the Subcommittees wish to approve the revised caseload adjustments resulting in decreased TANF funding of \$7.1 million in each year of the 2015-2017 biennium with technical adjustments as needed?

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT M-200 OF B/A 101-3230 WITH THE REVISED CASELOAD ADJUSTMENTS RESULTING IN DECREASED TANF FUNDING OF \$7.1 MILLION IN EACH YEAR OF THE 2015-2017 BIENNIUM WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR KIECKHEFER SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

Assistance to Aged and Blind, B/A 101-3232, is discussed on pages 70 and 71 of [Exhibit C](#).

HHS-Welfare - Assistance To Aged and Blind — Budget Page DHHS-DWSS-27
(Volume II)
Budget Account 101-3232

Decision Unit M-200 of B/A 101-3232 recommends General Fund appropriations of \$1.2 million in FY 2016 and \$1.7 million in FY 2017 to provide for yearly caseload increases of 4.5 percent in FY 2016 and FY 2017. The projected caseload growth is based primarily on historical caseload trends.

M-200 Demographics/Caseload Changes — Page DHHS-DWSS-27

Based on March 2015 caseload reprojections, the overall caseload increased slightly compared to the projections originally reported in the Executive Budget; however, total caseload costs have decreased. This is because the least costly aged caseload increased, while the more expensive blind and adult group care facility caseloads decreased. This results in a General Fund appropriation savings of \$336,431 in FY 2016 and \$319,418 in FY 2017. Fiscal staff recommends approval of the recent caseload and payment information as displayed in the closing adjustments shown in the table at the top of page 71 of [Exhibit C](#).

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT M-200 OF B/A 101-3232 WITH THE REVISED CASELOAD ADJUSTMENTS WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR KIECKHEFER SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

The DWSS received a Letter of Intent from the money committees in 2013 that requested the Agency to report back to the IFC with a proposal on how the Agency would recommend implementing the two federal Social Security Administration Supplemental Security Income (SSI) cost of living payment increases that were scheduled at the beginning of each year. The result displayed on the table on page 71 of [Exhibit C](#).

Traditionally, the money committees have issued a letter of intent that the Agency report to IFC with a proposal on how it recommends implementing the next two federal SSI payments. Do the Subcommittees wish to recommend continuing the practice of issuing a letter of intent for the 2015-2017 biennium, which would require the Agency to report back to IFC prior to implementing the annual federal SSI cost-of-living payment changes scheduled for January 2016 and January 2017?

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO CONTINUE THE LETTER OF INTENT FOR THE 2015-2017 BIENNIUM REQUIRING DWSS TO REPORT BACK TO IFC PRIOR TO IMPLEMENTING THE ANNUAL FEDERAL SSI COST-OF-LIVING PAYMENT CHANGES SCHEDULED FOR JANUARY 2016 AND JANUARY 2017.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

Field services, B/A 101-3233, are discussed on pages 72 through 80 of [Exhibit C](#).

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Budget Account 101-3233

Decision unit M-200 recommends \$12.1 million, which includes \$3.4 million General Fund appropriations, over the 2015-2017 biennium for 139 new positions and two new offices to address projected caseload increases for Medicaid, Supplemental Nutrition Assistance Program (SNAP) and TANF. The federal government funds approximately 72 percent of the cost to support caseload growth with the remainder funded with General Fund appropriations.

M-200 Demographics/Caseload Changes — Page DHHS-DWSS-31

The request for 139 new positions was based on a staffing ratio of 317 cases to each full-time equivalent position (317:1). When asked why this ratio was used, the Agency responded that a ratio of 280:1 was used to determine staffing needs during the 2013 Legislative Session; however, through changes in business processes and the rise in Internet and telephone applications, an approximate 10 percent efficiency gain was realized, resulting in a staffing ratio of 310:1. After consideration of the restoration of furlough hours in the 2015-2017 biennium, the Agency determined the staffing ratio should be increased by an additional 7 cases changing the ratio to 317:1.

During the budget hearing, the DWSS testified that in computing the number of new positions needed using the 317:1 staffing ratio, the calculations justified 259 additional field service workers. However, the DWSS requested to defer 120 of these positions to a future biennium. Using this same staffing ratio of 317:1, the March 2015 revised caseload projections shown in the table on page 73 of [Exhibit C](#) justified an additional 9 positions. The DWSS requested these 9 positions be deferred along with the 120 staff already deferred to a future biennium.

The DWSS indicated the reason for deferring 129 positions to a future biennium is that the optimal staffing ratio is uncertain at this time considering the

changes underway related to caseload management and the new lobby management system. The Agency stated the new business process initiatives are too new to provide valid statistics to formulate a new staffing ratio. They also believe a period of stabilization is needed. The DWSS expects their major initiatives to be completed by July of 2016.

The Subcommittees questioned why the SNAP caseload is increasing despite an improving economy. The DWSS responded that Nevada has historically had a low SNAP participation rate; however, the ACA health insurance marketing campaign encourages individuals applying for Medicaid to concurrently apply for SNAP. The SNAP participation rates have increased because individuals applying for Medicaid are simultaneously requesting SNAP benefits. Additionally, some clients continue to qualify for SNAP benefits when they become employed because of low wages. If the economy continues to improve, the Agency expects the growth in the SNAP caseload to level off sometime during the 2017-2019 biennium.

The Budget Subcommittees expressed hesitation in approving the 139 new positions based on an uncertain staffing ratio. In response, Fiscal staff offered an alternative analysis, which applies the current staffing ratio to the projected caseload in FY 2016 and FY 2017. According to DWSS caseload data, the average FY 2015 staffing ratio is 349:1 based on April 2015 data. If caseloads materialize as projected, and the recommended 79 new positions are hired in FY 2016, and 60 additional new positions are hired in FY 2017, the staffing ratio would be 348:1 and 339:1, respectively.

Fiscal staff notes that 72 positions in FY 2016 and 17 positions in FY 2017 would maintain DWSS's current staffing ratio of 349:1. This option would equate to a reduction of 50 positions over the 2015-2017 biennium from the amount recommended in the Executive Budget. In communication with the Agency about adjusting the staffing levels to maintain a ratio of 349:1, DWSS responded that it had recommended a decrease in the staffing ratio to assist with SNAP timeliness and quality issues.

As an alternative to providing permanent positions, the Subcommittees could consider intermittent positions to accommodate caseload growth, which would provide flexibility in reducing staff when adjusting to a declining caseload and

technology improvements. The DWSS currently has 248 intermittent positions that were approved for the same purpose by the 2009 Legislature. The Agency noted a 1.8 percent average turnover rate for permanent positions from January through March 2015, compared to a 15.4 percent average turnover rate for the intermittent positions. The Agency stated the disadvantages of intermittent positions include new hires having concerns about job security and the number of hours the intermittent positions will work. The Agency states there are no expectations for caseloads to drop to the historical levels that existed before 2014.

The Executive Budget also recommends two small offices, one in northern Nevada, which would open in January 2016, and the other in southern Nevada, which would open in October 2016. For comparison, in the current biennium, the Agency hired 410 field service positions and opened two large offices and two small offices in southern Nevada during the 2013-2015 biennium. The Agency was authorized to open two more small offices in southern Nevada before the end of FY 2015; however, the Agency indicated it will be unable to open the remaining two small offices before the end of FY 2015. Budget Amendment No. A150693233 recommends General Fund appropriations of \$98,933 and matching federal funds of \$296,798 from FY 2015 to FY 2016 to complete the setup of two new small offices.

Do the Subcommittees wish to approve Budget Amendment No. A150693233 for General Fund appropriations of \$98,933 and matching federal funds of \$296,798 in FY 2016 to complete the setup of two new small offices?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE BUDGET AMENDMENT NO. A150693233 FOR DECISION UNIT M-200, B/A 101-3233, FOR GENERAL FUND APPROPRIATIONS OF \$98,933 AND MATCHING FEDERAL FUNDS OF \$296,798 IN FY 2016 TO COMPLETE THE SETUP OF TWO SMALL OFFICES.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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The Agency provided the expected capacity of all DWSS offices after the two remaining offices open at the end of calendar year 2015. Upon further review, the DWSS found they can accommodate the 139 recommended new staff without adding new offices. An additional 106 positions would fill the existing offices to full capacity without having to reconfigure the offices. However, to accommodate the 33 remaining positions of the 139 recommended, DWSS proposes to either locate staff members in non-DWSS locations, such as community partner locations or hospitals, or reconfigure existing office space to create the needed permanent workstations. This option would reduce the expected expenditures by approximately \$498,333, which includes \$114,650 General Fund appropriations in FY 2016 and \$829,899, which includes \$244,562 General Fund appropriations, in FY 2017. The Agency has not determined the costs to reconfigure existing office space or costs associated with locating staff in non-DWSS locations.

Regarding the training for the new staff, the Agency indicates they can accommodate the training in the existing training facilities by making some adjustments.

If the Subcommittees wish to approve additional new positions to support the projected net caseload increase, four options are listed on page 77 of [Exhibit C](#) for consideration. The Subcommittees may also wish to consider approving some positions as intermittent instead of permanent positions.

Senator Kieckhefer

I support Option D. This option maintains the staffing ratio at the current level for the next 2 years while the Agency is implementing the new business processing improvements. Next Session, we should have more information regarding a staffing ratio. Regarding the timeliness and quality of the SNAP determinations and associated federal sanctions, I am told those case errors were not caused by the ACA Medicaid expansion, but rather were

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issues that occurred in prior years that the Agency indicates have been resolved.

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN DECISION UNIT M-200, B/A 101-3233, 72 NEW POSITIONS IN FY 2016 AND 17 ADDITIONAL NEW POSITIONS IN FY 2017 WHICH WOULD ALLOW DWSS TO MAINTAIN ITS CURRENT STAFFING RATIO WITH NO NEW OFFICES.

Senator Smith:

Would you recommend any of the new positions be intermittent?

Ms. Copeland:

Currently, approximately 20 percent of the existing staff is intermittent.

Assemblywoman Kirkpatrick:

I am not sure having all the positions intermittent makes sense. At some point there needs to be some stability.

Chair Lipparelli:

If we continue with 20 percent of the positions being intermittent, 17 of the 89 new positions would be intermittent.

Senator Kieckhefer:

I will amend and restate my motion to include the intermittent language.

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE IN DECISION UNIT M-200, B/A 101-3233, 72 NEW POSITIONS IN FY 2016 AND 17 NEW POSITIONS IN FY 2017, OF WHICH 20 PERCENT WOULD BE INTERMITTENT POSITIONS AND THE REMAINING POSITIONS WOULD BE PERMANENT POSITIONS.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

Decision unit E-720 of B/A 101-3233 recommends \$875,000, which includes \$399,206 General Fund appropriations, in FY 2016 to extend the lobby management system to 10 existing offices and to purchase 50 medium-capacity scanners. The Division indicates that the lobby management system is integral to the new business process employed in DWSS offices to manage client interactions, minimize points of contact with clients and prioritize work in the offices. The Agency reports the new lobby management system will assist in meeting the SNAP timeliness requirements and allow an increase to the optimal caseload-to-staff ratio.

E-720 New Equipment — Page DHHS-DWSS-34

Do the Subcommittees wish to approve the Governor's recommendation of \$875,000, which includes \$399,206 in General Fund appropriations, in FY 2016 to increase the number of offices using the lobby management system from 10 to 20 offices and to purchase 50 medium-capacity scanners?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-720 in B/A 101-3233 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

The U.S. Department of Agriculture, Food and Nutrition Service (FNS) require all households be provided determination of eligibility to participate in the SNAP program within 30 days or 7 days for expedited cases. The FNS considers 95 percent timeliness of application processing to be in compliance.

In a September 2014 letter, FNS notified Nevada that it has one of the worst application processing timeliness (APT) rates in the Country, with a preliminary 2013 timeliness rate of 73.6 percent, placing Nevada 47th in the national ranking. This letter served as advanced notification that if the SNAP timeliness issue cannot be corrected, and/or FNS is not satisfied with Nevada's Corrective Action Plan, the State may be subject to fiscal sanctions. In order to avoid a formal warning, Nevada must achieve an APT rate of 85 percent by the end of March 2015, and will need to achieve a 95 percent rate by the end of September 2015. The DWSS indicates that it has likely met the March 2015 goal of 85 percent; however, the official results are delayed by approximately 6 months.

When asked about the likelihood of a SNAP timeliness sanction, DWSS reported that timeliness corrective action for all states below the 90 percent tolerance level is currently a national FNS focus. The DWSS assumes a high likelihood that failure to meet the federal guideline will lead to withholding of funds

The SNAP Quality Control System measures the accuracy of State eligibility and benefit determinations. Error rates above 6 percent result in a federal sanction. The Agency has been notified that it will receive a sanction; however, the dollar amount is unknown at this time.

The Subcommittees may wish to consider issuing a letter of intent requiring the Agency to submit a report biannually to the IFC concerning the status of the SNAP timeliness and quality control measures and any sanctions that may have resulted from failure to comply with federal application processing standards.

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO ISSUE A LETTER OF INTENT REQUIRING DWSS TO SUBMIT A REPORT BIANNUALLY TO THE IFC CONCERNING THE STATUS OF SNAP TIMELINESS AND QUALITY CONTROL MEASURES

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AND ANY SANCTIONS THAT MAY HAVE RESULTED FROM FAILURE TO
COMPLY WITH FEDERAL APPLICATION PROCESSING STANDARDS.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblywoman Carlton:

Please include in this report all the factors that are contributing to the problem.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

There are two other closing items in decision units E-710 and E-900 in
B/A 101-3233 discussed on pages 79 and 80 that appear reasonable to
Fiscal staff.

E-710 Equipment Replacement — Page DHHS-DWSS-33

E-900 Transfer From BA 3233 To BA 3228 — Page DHHS-DWSS-34

Do the Subcommittees wish to approve all other closing items as recommended
by the Governor, and grant Fiscal staff the authority to make technical
adjustments as necessary?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL
COMMITTEES TO APPROVE DECISION UNITS E-710 AND E-900 in
B/A 101-3233 AS RECOMMENDED BY THE GOVERNOR WITH
AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS
AS NEEDED.

ASSEMBLYWOMAN DICKMAN SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

The next budget is the Welfare Child Support Enforcement Program, B/A 101-3238, discussed on pages 81 through 84 of [Exhibit C](#).

HHS-Welfare - Child Support Enforcement Program — Budget Page
DHHS DWSS-37 (Volume II)
Budget Account 101-3238

Decision unit E-236 recommends a combination of federal funds and State share of collection reserves totaling \$202,529 in FY 2016 and \$232,573 in FY 2017 for two new administrative assistant positions and two family service specialist (FSS) positions for the Nevada Intergovernmental Initiating Office located in Las Vegas.

E-236 Efficient and Responsive State Government — Page DHHS-DWSS-40

The number of FSS positions requested was based on a staffing ratio of 350 cases to 1 FSS position (350:1). The Agency provided caseload data supporting the addition of four FSS workers, but it requested only two positions due to budget constraints. The addition of two administrative assistant positions in the Las Vegas office aligns with the staffing guideline provided by the Agency.

Do the Subcommittees wish to approve the Governor's recommendation for a combination of federal funds and State share of collection reserves totaling \$202,529 in FY 2016 and \$232,573 in FY 2017 for two administrative assistant and 2 FSS positions?

ASSEMBLYWOMAN KIRKPATRICK MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-236 OF B/A 101-3238 AS RECOMMENDED BY THE GOVERNOR.

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SENATOR SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Copeland:

Decision unit E-550 of B/A 101-3238 recommends federal funds and State share of collection reserves totaling \$400,000 in each year of the biennium for a technology investment request to replace the existing Collection and Distribution System (CDS) with a new software solution.

E-550 Technology Investment Request — Page DHHS-DWSS-40

The new system solution would increase data security by eliminating outdated and unsupported technology and enable staff to work at peak efficiency. There are a number of design flaws in the current system which cannot be corrected through software updates. In order to correct the flaws, the system would need to be rewritten. Failure to implement a statewide system could result in financial penalties imposed by the federal government. In order to meet federal requirements, the State must distribute child support payments within 2 business days after receipt if sufficient information identifying the payee is provided. If a new system is approved, the Agency would realize efficiency gains by being in compliance more frequently.

Decision unit E-552 of B/A 101-3238 recommends \$294,118, which includes \$100,000 General Fund appropriation, in FY 2017 for the initial planning and processing for a request for proposal (RFP) to modernize the Nevada Child Support Enforcement Program system in the Nevada Operations of Multi-Automated Data System (NOMADS).

E-552 Technology Investment Request — Page DHHS-DWSS-41

The 2013 Legislature approved \$1 million to fund a formal feasibility study to fully identify the Child Support Enforcement Program requirements, consider

potential alternatives and to estimate costs. This feasibility study is expected to be complete in early 2016. Upon completion of the feasibility study and approval of this recommendation, DWSS plans to solicit vendors for the new system. The goal is to have the RFP complete, the vendor selected and the cost and time frame known in time for consideration by the 2017 Legislature. This decision unit depicts the estimated costs for the initial planning and processing for the selection of the design, development and implementation vendor for the project.

During the budget hearing, the Agency indicated that the cost for the replacement system is currently estimated at \$120 million to \$130 million with a 34 percent State fund match of \$40.8 million to \$44.2 million in General Fund appropriations for the project. The project is expected to span 3 to 4 biennia.

Do the Subcommittees wish to approve the Governor's recommendation in decision unit E-550 for a combination of federal funds and State share of collection reserves totaling \$400,000 in each year of the biennium to replace the existing CDS with a new software solution?

Do the Subcommittees wish to approve the Governor's recommendation in decision unit E-552 of \$194,118 in federal funds and a \$100,000 General Fund appropriation in FY 2017 for the initial planning and processing for a request for a RFP to modernize the Child Support Enforcement system in NOMADS?

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNITS E-550 AND E-552 OF B/A 101-3238 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

Assemblywoman Kirkpatrick:

After expending the money for the planning and RFP process authorized in decision unit E-552, is there any possibility that the federal government would deny the federal match for completion of the project?

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David N. Stewart (Deputy Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services):

We received federal approval as part of the RFP process and also as part of the contracting for services. Since we will be following the proper procedures, I am confident there will be no issues in receiving the federal match funds for completing the project.

Senator Kieckhefer:

Will the funds needed for the modernization of the Child Support Enforcement system in NOMADS be requested in the 2017 Legislature?

Mr. Stewart:

That is correct. The estimated price tag currently is approximately \$122 million. This estimate will continue to be refined as we move through the process.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

Decision unit E-710 of B/A 101-3238 recommends a combination of federal funds and State share of collections totaling \$114,243 in FY 2016 and \$284,007 in FY 2017 for replacement computer hardware and associated software as described on page 84 of [Exhibit C](#). This recommendation appears reasonable to Fiscal staff.

E-710 Equipment Replacement — Page DHHS-DWSS-42

Do the Subcommittees wish to approve the decision unit E-710 as recommended by the Governor? Fiscal staff requests authority to make technical adjustments as necessary.

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-710 OF B/A 101-3238 AS RECOMMENDED BY THE GOVERNOR WITH

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AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS
AS NECESSARY.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Copeland:

The Child Support Federal Reimbursement account, B/A 101-3239, is discussed
on page 85 of [Exhibit C](#).

HHS-Welfare - Child Support Federal Reimbursement — Budget Page
DHHS-DWSS-44 (Volume II)
Budget Account 101-3239

There are no major issues in this budget and Fiscal staff recommends approval
of this budget as recommended by the Governor, with authority for Fiscal staff
to make technical adjustments as necessary.

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE
FULL COMMITTEES TO APPROVE B/A 101-3239 AS RECOMMENDED BY
THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Copeland:

The Child Assistance and Development account, B/A 101-3267, is discussed on pages 86 through 89 of [Exhibit C](#).

HHS-Welfare - Child Assistance and Development — Budget Page
DHHS DWSS 46 (Volume II)
Budget Account 101-3267

Decision unit M-200 recommends federal funds totaling \$4.7 million in FY 2016 and \$5.8 million in FY 2017 to support projected caseload increases. The Executive Budget projected a caseload increase of 21.2 percent.

M-200 Demographics/Caseload Changes — Page DHHS-DWSS-47

The table on page 87 of [Exhibit C](#) shows updated caseload projections using March 2015 caseload data along with FY 2014 actuals for comparison. The March 2015 caseload projections indicate the total caseload is anticipated to be only 4.6 percent greater in FY 2017 than the realized caseload in FY 2014, which compares to a growth rate of 21.2 percent over the same period as originally projected in the Executive Budget. If the revised projections are used, federal funds will decrease \$3.8 million in FY 2016 and \$5.3 million in FY 2017 from the amounts shown in the Executive Budget.

The Agency requests the original caseload estimates and funding levels remain in the budget, indicating budget reductions since 2009 have led to the elimination of some services, thereby decreasing the overall caseload. The Agency is meeting with program contractors and members of the Child Care Advisory Committee to discuss opportunities to increase the number of families participating in the program. The Agency believes the original caseload information in the Executive Budget is more representative of the likely caseload in the 2015-2017 biennium.

If the Subcommittees wish to approve additional federal funding to support caseload growth, it could consider the following options:

- A. Approve the Governor's original recommendation of federal funds totaling \$4.7 million in FY 2016 and \$5.8 million in FY 2017 to support activities

associated with issuing benefits to more clients due to caseload increase. This option would provide childcare services to an additional 841 children in FY 2016 and 1,028 in FY 2017.

- B. Approve the revised amount of federal funds totaling \$874,415 in FY 2016 and \$462,530 in FY 2017 to support providing childcare services to an additional 291 children in FY 2016 and 224 children in FY 2017 due to caseload increases.

Assemblywoman Kirkpatrick:

If the caseload is declining, the Agency should broaden the base of who can be eligible for these services.

Senator Kieckhefer:

Is there a General Fund impact?

Ms. Copeland:

There are no General Funds. The decision unit M-200 caseload increase is funded 100 percent with federal funds.

Senator Kieckhefer:

I support Option A as there is no General Fund impact and more children will be served.

SENATOR KIECKHEFER MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT M-200 IN B/A 101-3267 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Assemblywoman Kirkpatrick:

I will support the motion; however, unless the eligibility guidelines are changed, there will not be many more children receiving these services.

Assemblywoman Carlton:

I thought there were General Fund dollars in this account.

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Ms. Copeland:

The funds in decision unit M-200 of B/A 101-3267 are 100 percent federal funds. Page 87 of [Exhibit C](#) discussing the caseload increase only mentions federal funds. Both funding options presented on page 88 of [Exhibit C](#) only mention federal funds.

Assemblywoman Titus:

Has the federal government committed to how long they will continue to fund the childcare assistance at this rate?

Steve H. Fisher (Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services):

These funds are provided by the federal government on an annual basis. I do not know if they will continue this block grant at the same level indefinitely.

Assemblywoman Titus:

Has there been any indication that the Agency is in danger of losing these funds because the Agency has not performed or met certain requirements, like I have heard in other DWSS programs?

Mr. Fisher:

There have been no indications that this program is in danger of losing federal funding.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Copeland:

Decision unit E-245 of B/A 101-3267, page 88 of [Exhibit C](#), recommends federal funds of \$1.1 million in each year of the 2015-2017 biennium to provide childcare assistance for 240 additional children over the biennium in the At-Risk category. The Division indicates the increase will partially restore funds lost in prior years due to federal and State reduction in services.

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E-245 Efficient and Responsive State Government — Page DHHS-DWSS-48

Do the Subcommittees wish to approve the Governor's recommendation for federal funds of \$1.1 million in each year of the biennium to provide child care assistance for 240 additional children over the biennium in the At-Risk category?

ASSEMBLYWOMAN CARLTON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-245 IN B/A 101-3267 AS RECOMMENDED BY THE GOVERNOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Copeland:

Decision unit E-710 of B/A 101-3267 recommends federal funds of \$8,511 in FY 2016 and \$20,802 in FY 2017 to replace computer hardware and software as described on page 88 of [Exhibit C](#).

E-710 Equipment Replacement — Page DHHS-DWSS-49

Decision unit E-901 recommends the transfer of one quality control specialist position from the B/A 101-3267 to the DWSS Administration budget, B/A 101-3228, for the reasons stated on page 88 of [Exhibit C](#).

E-901 Transfer From BA 3267 To BA 3228 — Page DHHS-DWSS-49

Both recommendations appear reasonable. Do the Subcommittees wish to approve these items as recommended by the Governor? Fiscal Staff requests the authority to make technical adjustments as necessary.

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNITS E-710 AND E-901 IN B/A 101-3267 AS RECOMMENDED BY THE GOVERNOR WITH THE AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Jeff A. Ferguson (Senior Program Analyst):

The Energy Assistance Program, B/A 101-4862, is discussed on pages 90 through 92 of [Exhibit C](#). The Energy Assistance Program assists eligible Nevada citizens in meeting their home heating and cooling needs. The program provides payments for eligible households, which can be either applied to the heating provider, the cooling provider or split between the two. Funding for the Energy Assistance Program is provided by the Low Income Home Energy Assistance Program (LIHEAP) block grant and Universal Energy Charges (UEC) from the Nevada Fund for Energy Assistance and Conservation.

HHS-Welfare - Energy Assistance Program — Budget Page DHHS-DWSS-51
(Volume II)
Budget Account 101-4862

Decision unit E-248 recommends UEC revenues totaling \$302,111 in FY 2016 and \$408,054 in FY 2017 to replace 25 contract staff with 9 full-time and 16 intermittent positions.

E-248 Efficient and Responsive State Government — Page DHHS-DWSS-53

Currently, the DWSS contracts with a temporary agency to provide staff to assist in the processing of Energy Assistance Program applications. The DWSS testified that is unable to maintain a stable workforce of trained staff to process

applications due to high turnover rates among contract staff. As a result, the Division has not always been able to process applications in a timely manner and thereby has delayed benefits to households in need of service. The timeliness issue was evidenced by the performance indicator. The Agency did not meet its goal of processing 95 percent of Energy Assistance Program applications within 60 days in FY 2014, instead registering a timeliness level of 61.1 percent.

Of the 25 contract staff, 14 are equivalent to an administrative assistant IV position and the remaining 11 are equivalent to an administrative assistant I position. The Governor recommends converting six contract administrative assistant IV positions to permanent administrative assistant IV positions and three contract administrative assistant I positions to permanent administrative assistant I positions. The remaining 16 contract positions would remain in their current designation, but be moved to intermittent positions, instead of contract positions. The DWSS intends for all the intermittent positions to work full time schedules, and as such, they would be entitled to retirement and insurance benefits.

The total costs for this recommendation is the difference between the cost for State permanent and intermittent positions versus the cost for contract positions, which differs primarily due to the cost to provide employee benefits.

The DWSS testified that if this recommendation is approved, it would be able to meet its performance standard and also indicated that it currently serves the entire Energy Assistance Program caseload with no waiting list. The cost associated with this recommendation would not result in a reduction of the number of households the program could serve.

Do the Subcommittees wish to approve the Governor's recommendation for UEC revenues totaling \$302,111 in FY 2016 and \$408,054 in FY 2017 to replace 25 contract staff with 9 full-time and 16 intermittent positions?

Assemblywoman Titus:

I understand the public pays fees as part of their power bill to offset costs for administering this program and for the benefits paid. It appears the management of the program is using most of these fees as opposed to being made available

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as benefits to those who qualify. How much of these fees are being used for administration costs?

Mr. Ferguson:

The UEC and LIHEAP revenues limit the use of the funds for administrative costs to 5 percent. Currently, the Agency is well under the administrative cost cap for both areas.

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT E-248 IN B/A 101-4862 AS RECOMMENDED BY THE GOVERNOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Mr. Ferguson:

Decision unit M-200 of B/A 101-4862 recommends \$3.8 million in FY 2016 and \$4.5 million in FY 2017 to fund the projected caseload increases in eligible Energy Assistance Program recipients for the 2015-2017 biennium. Funding for these increases is from federal LIHEAP program funds totaling \$2.5 million in FY 2016 and \$2 million in FY 2017, and UEC funding of \$1.7 million in FY 2016 and \$2 million in FY 2017.

M-200 Demographics/Caseload Changes — Page DHHS-DWSS-52

The Agency projects the average monthly caseload will increase from 2,250 households in FY 2015 to 2,376 households in FY 2016 and 2,466 in FY 2017, representing increases of 5.6 percent and 9.6 percent, respectively.

Based on the information provided by the Agency, the caseload increases appear reasonable. Do the Subcommittees wish to approve \$3.8 million in

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FY 2016 and \$4.5 million in FY 2017 to fund the caseload increases recommended by the Governor?

ASSEMBLYMAN OSCARSON MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT M-200 IN B/A 101-4862 AS RECOMMENDED BY THE GOVERNOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

Assemblywoman Kirkpatrick:

This Program has served us well over time. I fully support this Program.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Mr. Ferguson:

Decision unit E-710 recommends a combination of federal LIHEAP grant funds and UEC funding of \$21,418 over the 2015-2017 biennium for replacement computer hardware and software as described on page 92 of [Exhibit C](#). This recommendation appears reasonable.

E-710 Equipment Replacement — Page DHHS-DWSS-54

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Do the Subcommittees wish to approve decision unit E-710 in B/A 101-4862 as recommended by the Governor with authority for Fiscal staff to make technical adjustments as necessary?

ASSEMBLYWOMAN DICKMAN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE DECISION UNIT M-710 IN B/A 101-4862 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Chair Lipparelli:

Seeing no public comment or any further business before these Committees,
this meeting is adjourned at 12:12 p.m.

RESPECTFULLY SUBMITTED:

Jackie L. Cheney,
Committee Secretary

APPROVED BY:

Senator Mark Lipparelli, Chair

DATE: _____

Assemblyman James Oscarson, Chair

DATE: _____

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EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	3		Attendance Roster
	C	92	Fiscal Analysis Division, Legislative Counsel Bureau	Human Services Joint Subcommittee Closing List 6, May 11, 2015
	D	1	Department of Health and Human Services Division of Health Care Financing Policy	Attachment A Division of Health Care Financing and Policy New Position Prioritization