

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

**Seventy-Ninth Session
February 22, 2017**

The Committee on Health and Human Services was called to order by Chairman Michael C. Sprinkle at 1:32 p.m. on Wednesday, February 22, 2017, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/79th2017.

COMMITTEE MEMBERS PRESENT:

Assemblyman Michael C. Sprinkle, Chairman
Assemblywoman Amber Joiner, Vice Chair
Assemblywoman Teresa Benitez-Thompson
Assemblyman Richard Carrillo
Assemblyman Chris Edwards
Assemblyman John Hambrick
Assemblyman William McCurdy II
Assemblywoman Brittney Miller
Assemblyman James Oscarson
Assemblyman Tyrone Thompson
Assemblywoman Robin L. Titus
Assemblyman Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Marsheilah Lyons, Committee Policy Analyst
Mike Morton, Committee Counsel
Kailey Taylor, Committee Secretary
Trinity Thom, Committee Assistant
Melissa Loomis, Committee Assistant

OTHERS PRESENT:

Connie McMullen, Private Citizen, Reno, Nevada; and representing Personal Care Association of Nevada
Marlene Lockard, representing Nevada Women's Lobby and Human Services Network of Northern Nevada
Jodi Tyson, Government Affairs Director, Three Square; and representing Food Bank of Northern Nevada
Steve H. Fisher, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services
Lori Wilson, Chief, Employment and Supportive Services, Division of Welfare and Supportive Services, Department of Health and Human Services
Naomi Lewis, Deputy Administrator, Program and Field Operations, Division of Welfare and Supportive Services, Department of Health and Human Services
Judy Stokey, Vice President, Government & Community Strategy, NV Energy
Debra Gallo, Director/Public Affairs, Southwest Gas Corporation
Randy J. Brown, Director, Regulatory & Legislative Affairs, AT&T Nevada
Randy Robison, Director, State Legislative Affairs, CenturyLink
John P. Lopez, Government Affairs Manager, Cox Communications
Ed Guthrie, CEO Emeritus, Opportunity Village, Las Vegas, Nevada
Brian Patchett, President/CEO, Easter Seals Nevada
Charles Perry, representing Las Vegas HEALS (Health, Education, Advocacy, and Leadership in Southern Nevada)
Brenden Bussman, Member, Board of Directors, Las Vegas HEALS (Health Education Advocacy, and Leadership in Southern Nevada)
Diane McGinnis, Private Citizen, Beatty, Nevada
George Ross, representing Sunrise Hospital and Medical Center
Kelly Crompton, Government Affairs Officer, Office of Administrative Services, City of Las Vegas
Tyre Gray, representing Las Vegas Metro Chamber of Commerce
Catherine O'Mara, Executive Director, Nevada State Medical Association
Elisa Cafferata, Director of Government Relations, Nevada Advocates for Planned Parenthood Affiliates
Jared Busker, representing the Children's Advocacy Alliance

Marta Jensen, Acting Administrator, Division of Health Care Financing and Policy,
Department of Health and Human Services
Tiffany Lewis, Chief of Rate Development, Division of Health Care Financing and
Policy, Department of Health and Human Services

Chairman Sprinkle:

[Roll was taken. Rules and protocol were explained.] I do have an announcement. Due to some of the time situations that we continue to run into with other committees, from now on, on Mondays and Wednesdays we will be meeting at 1 p.m. or on the adjournment of the floor session if it runs long. Today we will be taking our two bills in reverse order. Is there any public comment? [There was none.] I will now open the hearing on Assembly Bill 111.

Assembly Bill 111: Authorizes the Division of Welfare and Supportive Services of the Department of Health and Human Services to use money in the Fund for Energy Assistance and Conservation to assist certain low-income households in paying for Internet service. (BDR 58-641)

Assemblyman Tyrone Thompson, Assembly District No. 17:

This bill authorizes the Division of Welfare and Supportive Services of the Department of Health and Human Services to utilize money in the Fund for Energy Assistance and Conservation (FEAC) to assist low-income households in paying for Internet service. Technology has become an increasingly vital part of daily life and an absolute necessity for participation in the modern economy. Lack of access to high-speed Internet unreasonably burdens families and isolates low-income communities from modern society. This bill addresses an essential and overdue public policy conversation and decision that will assist in closing the digital divide gap that disproportionately affects impoverished and underserved communities within our state. Ultimately, we want to produce hardworking families and hardworking Nevadans.

I want to talk about the access to education. Students who lack access to the Internet at home are denied equal access to the knowledge and information that is very important to educational needs in the twenty-first century, preventing low-income students from succeeding in a highly competitive economic environment. As the chairman of the Assembly Committee on Education, there are many skills coming before us relating to science, technology, engineering, and mathematics (STEM)-related types of jobs. We are always talking about something that connects that student to the Internet. According to Connect Nevada's 2013 residential technology assessment, approximately 87,000 children in Nevada do not have access to the Internet in their homes. This is a step in the right direction towards closing the homework gap in hopes of raising achievement and success rates.

Cost is the biggest barrier keeping families from accessing Internet services, preventing adults from accessing jobs, and seniors from researching health care exchange programs and medications, consequently reinforcing the cycle of poverty. I know you are probably

thinking that there are programs out there that pay for Internet that are \$5 to \$15 per month, but when you are on a limited income, every dollar that you have matters. There is also the opportunity to look at how we can continue to advance a low-income family.

According to the Pew Research Center, families and neighborhoods with median household incomes below \$34,800 are almost five times more likely not to have access to the Internet than the most affluent American households with a median income of above \$87,000. The latest Pew Research Center analysis also shows that Internet non-adoption is correlated to a number of demographic variables such as age, educational attainment, household income and community ties.

I have given the Committee a handout ([Exhibit C](#)) that is a great visual. Page 1 ([Exhibit C](#)), talks about the digital divide, and it starts in bold letters saying, "Nearly one-third of U.S. households (32 percent) lack broadband service." It also breaks down the disproportionality of seniors. I know we have different definitions of a senior, but based on this, it is 65 years and older and 43.2 percent do not have Internet access. That does not mean that they do not want the access because we have some very active seniors in our state. As you look at the numbers, 38.1 percent of African-American households, 35.7 percent of Hispanic and Latino households, and 60.7 percent of those with less than a high school diploma do not have access to the Internet. As we know, there are many opportunities where people have to go online to apply for a job. They cannot necessarily make it to the place where they would like to work. It is always more accommodating to be able to have that service right there within their homes.

At this time, I would like to walk you through the bill. We will start with section 1, subsection 2, paragraph (a), subparagraph (1), which adds the word "any" to "utility service." When we look at subparagraph (2), it adds in "Internet service." In section 2, again we are adding "Internet service," and the same with section 2, subsection 2, paragraph (a). Let us go on to section 2, subsection 4; it adds "Internet service," but since this is the prefiled bill, I will strike that out since this will not necessarily be an emergency. In section 2, subsection 6, paragraph (a), we add "Internet service."

As you will see on the Nevada Electronic Legislative Information System (NELIS), I have the proposed amendment ([Exhibit D](#)), and after much consideration, I propose the following conceptual amendment to address section 2, subsection 6, paragraph (b), subparagraph (3). I wanted to be specific about how much the service would cost. I got this language from a representative, Mr. Bill Foster, who was in the 113th United States Congress. He had a bill going forth called Closing the Digital Divide for Students Act of 2014. The cost included for Internet service shall not exceed the lowest cost allowable in the area of such Internet service we have provided and will not include any cost for cable, satellite television services, or bundle packages. We are not looking to entertain; we are looking to make sure that we have the necessary tools in low-income households.

We have many cosponsors for this bill, including Senator Cancela, Senator Segerblom, Assemblyman Araujo, Assemblyman Carrillo, Assemblyman Daly, Assemblyman Fumo, and

Assemblywoman Neal. In closing, I want to say that I always try to anticipate any questions that may come forth. I want to commend people who have come in to speak to me. I really appreciate all those who have said they like the concept but who have additional questions.

The biggest part is that people may say this pot of money will take away from other families, but what I want to say to my colleagues, as a professional in public service, this is the opportunity to look at our policy on how we administer this fund. I worked in the Division of Welfare and Supportive Services for nine years, and this fund does not cover everyone who walks through the Division. Not everyone gets the services to cover their energy bill. We have the opportunity now to look at our practices, and we might actually be able to cast that net out even more. When you look at some of the great programs that are out there, look at what an investment this could make to ensure that these families have a year of free service.

Chairman Sprinkle:

I appreciate that overview of the bill. Before I open it up to questions, I am sure all of us have looked at the fiscal note, but I will remind everyone that we are a policy committee. I am happy to entertain any policy-related questions on that fiscal note; otherwise, those questions are for a different committee.

Assemblyman Carrillo:

I think many people take for granted the fact that Internet service is everywhere, but many people cannot afford it. Regarding the Internet service itself, the supplier, is this going to be through cable, or other variations of services? Is there a limitation of usage? Is there a plan that they would have? I know through Cox Communications where there are different levels of service.

Assemblyman Thompson:

That is the reason why I put in the amendment. I want to leave it as loose as possible. It will be up to the Division of Welfare and Supportive Services to look at that however they want. They will look at what is going to be the most affordable. It will not necessarily have to go through a cable provider, just a provider of Internet service.

Assemblyman Carrillo:

There are variations of Internet providers. Are we looking for the cheapest, or are we looking to have a few different ones provide service?

Assemblyman Thompson:

That part would be up to the Division of Welfare and Supportive Services.

Assemblyman Carrillo:

Is there a restricted amount of Internet service they will be provided? There are certain bandwidths and other things to take into consideration.

Assemblyman Thompson:

That is why I wanted to put the loose language in the amendment. We want the Division of Welfare and Supportive Services to use whatever processes they use for procurement or looking at the provider that would be best. You also have to think about it depending on the area; rural communities may not fit under a blanket provider. It could differ depending on which county or area. You have to realize these dollars are administered throughout the state.

Chairman Sprinkle:

Would you do me a favor and clarify the amendment one more time so that the Committee fully understands what you are trying to achieve with this amendment.

Assemblyman Thompson:

This is conceptual. We are working with the Legislative Counsel Bureau (LCB) to put it wherever they feel it fits best. I was thinking that it would fit in section 2, subsection 6, paragraph (b), subparagraph (3) the best. It would say that the cost included for Internet service shall not exceed the lowest cost available in the area of such Internet service being provided and may not include any cost for cable, satellite television services, or for bundle packages for Internet service together with cable or satellite television service. It then includes the cosponsors to the bill. It is conceptual, but that is the amendment I would like to put forth.

Assemblywoman Titus:

I appreciate the need for access and education. Is it good policy for us to take a fund for energy assistance and move the pot to another use? My concern is that if it was needed in the first place for energy assistance, and we take it away, similar to robbing Peter to pay Paul, what happens to the people who need the money for energy assistance?

Assemblyman Thompson:

That is a very good question. There is the federal Low Income Home Energy Assistance Program (LIHEAP) block grant and the money that has been mentioned in this bill. These programs run parallel to each other. We utilize that to try to cast the net as far as it can stretch for the limited amount of time. There may be a certain amount of credit that the household unit may be eligible for the power bill. I understand what you are saying regarding "rob Peter to pay Paul," but I want to talk about evolution. Potentially, when these dollars were originally set, that is probably what they were set for. However, I also think that it is incumbent upon us to include other factors that will help households. This is an opportunity for the Division to look at how to expand the net with limited dollars.

Assemblywoman Miller:

I know that in the education community, we are moving toward using the Internet for all types of things such as Google Docs and Google Drive where students upload assignments and submit them to their teachers. We are using it to correspond more with parents as well. It is not for them to go home and do more research; it is becoming more of the classroom. In mainstream Clark County, I still have students in my classroom who do not have access to

the Internet. I appreciate this because we cannot move education in a certain direction if our students do not have the access to it. I also do not want us to forget that it is very difficult to find a job that does not require an online application. Can you speak a little about what an annual income looks like for a family of four or five who would qualify for this assistance?

Assemblyman Thompson:

I have the application for the Energy Assistance Program (EAP). There is a whole chart based on how many people are in the household and the annual and monthly income. It goes from four-person households up to eight-person households. Based on income, if they have it, there will be a certain allotment of the pot that they are given to pay for their power bills, and if we allow it, Internet service.

Assemblyman Yeager:

Have you put any thought into how eligible persons will be notified that they are potentially eligible for this enhanced program? Have you had any discussions with the Internet service providers about what role they might play in letting people know that this is something they could apply for, if this is enacted?

Assemblyman Thompson:

As you see in the bill, a section talks about outreach. This is a new allowable cost for people who are coming in for this program. I have talked to various Internet providers. They offer great services at low prices to the community, but even a few dollars makes a difference. Some community centers in my community have scholarships, but to carve out \$20 or \$30 per month can still cause a problem in a household when you have a limited amount of money. Yes, I have spoken to some providers, and some of them will come up to testify.

Assemblyman McCurdy II:

I come from a district that has certain pockets of communities that have an annual household income of \$12,000. I see this as something that could directly benefit those children because the only way out is through education. As Assemblywoman Miller said, the requirements are changing for what a child is expected to have access to. Is there a number in mind to show us how many children would be affected by this?

Assemblyman Thompson:

I would go by the 87,000 children I mentioned earlier. It could be higher or lower because numbers change. It affects everyone, not just children. There is also only a certain time in which these dollars are available, which is why the outreach is so important. If your constituents do not know about these dollars, they may not be able to get it when they need it. I am talking about Internet service, but I also want us to look at the opportunity to open the net even more. It requires that we pay back three months in arrears for energy. Maybe it only needs to be two months. We have an opportunity to look at that.

Assemblyman Edwards:

I apologize that I have not gotten over to your office to ask these questions. Is there any particular reason why you did not request State General Funds?

Assemblyman Thompson:

It steered to what my professional background is. I knew that these dollars were there, so I felt like this would be an innovative way for us to look at this opportunity.

Assemblyman Edwards:

If we start to use the money from the energy funds, if all 87,000 households were to apply, how long would the fund last? If it were only for a short time, would that mean that there would be a requirement to increase rates for everyone else?

Chairman Sprinkle:

Feel free to answer that question, but we are getting into budget and money, which is more specifically related to a different committee.

Assemblyman Thompson:

I would like to answer. The first part is that it is a limited pot of money. We will not be able to help all 87,000 people. However, we might be able to include a few thousand more. We have not been able to help every household with the energy assistance they need. The intent is to look at this pot of money because it was limited in the first place. If we looked at all 87,000 people, it would cost us an enormous amount of money. This would be a good start to ensure that we get more families on board.

Assemblyman Hambrick:

It has been said, "It is better to light one candle than to curse the darkness." You are lighting that one candle.

Chairman Sprinkle:

At some point in your testimony, both you and Assemblyman Carrillo held up your phone. I am wondering how this affects Internet services that are provided by the phone. Would the charges that you incur every month, by a phone service provider, now award you access to the Internet? Is it just the data? How does that work?

Assemblyman Thompson:

This is for household Internet, not your personal phone Internet. This is for the dwelling, just as the energy assistance is.

Chairman Sprinkle:

Under section 1, subsection 2, it talks about how a customer is exempt. What exactly qualifies a customer in any of those services to be exempt?

Assemblyman Thompson:

I do not know that answer specifically. One thing that I do want to add is that I used the term "utility" because we could potentially look at the Internet as a utility. It is a necessity for our households.

Chairman Sprinkle:

Thank you for your presentation. We will now take testimony in support of this bill.

Connie McMullen, Private Citizen, Reno, Nevada:

I am a member of the Nevada Commission on Aging, and I am Vice Chairman of the Washoe County Senior Services Advisory Board. This is so needed among people living on a fixed income who attend the senior centers. They go there because they cannot afford to feed themselves. Oftentimes, it is their only meal that day. The library is the one place they love to be because they have access to the Internet. They cannot afford to have it in their home. They cannot even afford a computer. Everyone is on the computer. This brings great things for older people; it breaks isolation; and it gets them out of the house. They can look up Medicare to find out the changes every year, and they can talk to their family and Skype with their grandkids. If they need energy assistance, they need this as well. I thank Assemblyman Thompson for bringing this.

Marlene Lockard, representing Nevada Women's Lobby:

We support this legislation for the reasons articulated by the sponsor. Most of you know that I also represent the Retired Public Employees of Nevada. I would like to tell you briefly that in 2011 when the Medicare-eligible seniors were directed off the state system and told that they must join this exchange, they were required to go online and go through a lengthy enrollment process. That was a nightmare year for our seniors because many did not have access to the Internet. It really developed into a senior friend-to-friend program. They would have to help each other accomplish this enrollment, but many did not. I think that demonstrates the need for this bill.

Jodi Tyson, Government Affairs Director, Three Square; and representing Food Bank of Northern Nevada:

While we would like to be able to see people keep their energy on across Nevada, that is not happening as it is. We really appreciate the opportunity to tell you that the clients we serve know what it is that they need most for their families. We are all about providing choice, whether that is choice of food or choice of assistance programs that they apply for. The food banks are here in support of the conversation around providing the most amount of flexibility and opportunity for families to decide for themselves what kinds of support they need from our state.

Chairman Sprinkle:

Is there anyone else speaking in support of this bill? [There was no one.] Is there anyone in southern Nevada in support? [There was no one.] Is there anyone in opposition to this bill? [There was no one.] Is there anyone speaking in neutral to this bill?

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

I would like to thank Assemblyman Thompson for the opportunity to speak with him last week on this bill. We had a discussion around some of the concerns that the agency has with the bill. I also want to thank him for sharing the intent for the bill. We had made many

assumptions prior to speaking with him. Based on the intent of using existing funds in the program, we are in the process of removing the fiscal note. What I would like to do is give a brief overview of the program, if I could. The Energy Assistance Program provides supplemental assistance with the cost of home energy to qualifying low-income Nevadans. Nevada's Energy Assistance Program has two funding sources. The LIHEAP block grant and the state revenue generated from the Nevada Fund for Energy Assistance and Conservation, otherwise known as the Universal Energy Charge (UEC). If you look at your electric bill, you will see a UEC fee. The EAP year begins July 1, and applications are accepted through June 30. Applications are evaluated year-round or until the funding is exhausted. Eligible households receive an annual, one-time-per-year benefit, customarily paid directly to the energy providers.

About 80 percent of the households that received energy assistance last fiscal year had a household member who was of age 60 or older or under the age of 6 or disabled. That is the population deemed most vulnerable to temperature extremes. There were 17,600 households served with elderly or disabled individuals. The number of elderly or disabled individuals served was 20,359. There were 10,223 households served with one or more children. The number of children under the age of 18 served was 23,737.

Some of the concerns that the agency shared with Assemblyman Thompson were that this funding source along with the LIHEAP block grant and the UEC funds are insufficient to serve the EAP. Statutorily, the goal is to reduce the burden to that of a median Nevada household. Benefits are currently capped below that amount to ensure that all eligible applicants receive some measure of assistance toward their energy burden. In order to fully meet the goal of providing sufficient benefits to all eligible households, the Division determined that an additional \$6 million in revenue would have been required last fiscal year.

I would also like to take this opportunity to make you aware that assistance with phone service, data plans, and broadband Internet is available to qualifying low-income families through a program called the Lifeline Program. If their income is at or below 135 percent of the federal poverty line or they are on programs such as Supplemental Nutrition Assistance Program (SNAP), Medicaid, Supplemental Security Income (SSI), and federal housing assistance, they are eligible for the Lifeline Program.

Fiscal impacts are admittedly difficult to project, but I will talk about some numbers. It is difficult to project when we have no historical data available regarding the median cost of Internet services. However, my staff agreed to put together some very conservative numbers, assuming that only those households who currently apply and are found eligible for the EAP will receive Internet assistance. The median cost would be \$40 per month. The households we serve would qualify for the low-cost Internet service through the Lifeline Program, which is about an average of \$10 per month. With that being said, the calculation for the average benefit per household would be \$21.94 per year for the 27,000 households that we serve. That would be at a cost of about \$592,500. This is the amount of funds currently required to provide energy assistance to approximately 1,084 households based on our current average

benefit. There will be a one-time system enhancement as well in order to track this information. That would be a cost of \$350,000, which would equate to approximately 641 households at that current average benefit.

The result of funding an Internet assistance program with the UEC funds without any corresponding increase in the fund source would compel the Division to make some difficult decisions, further reducing the average annual benefit, reducing the number of households served, or perhaps both in direct proportion to the amount of funds diverted to the Internet assistance program.

If using UEC as a funding source for this program, the Division would request the Committee's guidance in meeting the intent for these programs by establishing the amount or the percentage of existing funds to be allocated to each of the respective programs. In state fiscal year 2016, the Division served about 27,000 households at an average annual benefit of \$678; arrearage assistance was provided to approximately 3,300 households at an average benefit of \$436. The arrearage payment is a one-time payment that the household can receive just to get them caught up on their utility bills.

Chairman Sprinkle:

Thank you for your testimony. It was important for the Committee to hear those numbers from a policy perspective to understand. I will allow questions because you are representing the affected department. I will caution the Committee to keep it to policy.

Assemblywoman Titus:

In 2016 this program, the Fund for Energy Assistance and Conservation, reached out to 27,000 households plus another 3,000 households, is that correct?

Steve Fisher:

There are two funds, the LIHEAP fund and the FEAC (UEC) fund. We served 27,000 total households including both funds, using the entire pot.

Assemblywoman Titus:

It was mentioned earlier that there would be an application process, and one of the reasons Assemblyman Thompson mentioned getting people notified was that these funds were available. Is that because they are expended annually?

Steve Fisher:

Yes, those funds are expended each year.

Assemblywoman Titus:

Is the intent to use this entire fund for Internet service, or would it be a portion?

Steve Fisher:

We are asking for guidance on how to split that.

Assemblyman Hambrick:

Will Community Development Block Grant (CDBG) funds be available?

Steve Fisher:

I do not know the answer to that because I am not familiar with that grant.

Assemblyman Hambrick:

I am dating myself, but I believe at one point the U.S. Department of Housing and Urban Development (HUD) had CDBG funds available for community development. I believe this type of activity would fall within that area.

Steve Fisher:

That particular grant does not fall under my purview so I would not be able to answer that.

Assemblyman Edwards:

When you testified, you said that something needed to be done to modify the data system that you use. Can you clarify that?

Steve Fisher:

We currently have a data system that tracks clients, but it also calculates the benefit based on the median household income. There is a set of eligibility rules we use to calculate the benefit. If we move forward with this, that automated system would have to be changed and modified to calculate the Internet services. It would have to track that as well as what clients are getting that Internet service. Then we would have to split the pot of money because we are using the UEC pot for Internet service and the LIHEAP pot only for the energy assistance portion of it.

Assemblywoman Benitez-Thompson:

You said that there were 27,000 households served by the two different funds coming in from the EAP. Is that the total amount who applied for energy assistance?

Lori Wilson, Chief, Employment and Supportive Services, Division of Welfare and Supportive Services, Department of Health and Human Services:

We had about 44,000 applications, of which 27,000 were deemed eligible. We did not deny anyone for lack of funds. We set our caps to make sure that there is a benefit available for all applicants.

Assemblywoman Benitez-Thompson:

As you look forward for the year, you had 27,000 eligible applications that were paid last year. Do you tentatively budget for 27,500 for next year, and then you have an idea of what that dollar amount would be? How do you work those numbers?

Lori Wilson:

We use caseload projections to determine what number we think will be deemed eligible of those who apply. We look at what funding we believe is going to be available for the next

year because LIHEAP funds are variable, although the UEC fund has been stable. We look at the funds and the numbers that we expect to be eligible in order to divvy it out. We target a certain average benefit to ensure that everyone who actually does qualify and applies receives as much as possible. We are capped in order to do that.

Assemblywoman Benitez-Thompson:

I do not work with folks on these applications as much as I used to. I cannot recall; is it mostly going towards heating in the north during winter and cooling in the south during the summer?

Lori Wilson:

We do get more applications from the south in the summer and more applications in the winter from the north, although we do operate a year-round program. We look at both electric and gas, so both heating and cooling costs for an annualized benefit that is intended to help for both, regardless of where one lives.

Assemblywoman Benitez-Thompson:

When you were talking about the changes in the system that you would need for programs like the Lifeline Program, was there a change federally in the application that came along? It used to be cumbersome. There was a state program and a federal program, and you had to figure out which one your applicant had previously used. Has that been streamlined? Is it easier now for folks to apply for those Lifeline Program funds if that is what they are looking for?

Naomi Lewis, Deputy Administrator, Program and Field Operations, Division of Welfare and Supportive Services, Department of Health and Human Services:

My understanding of the Lifeline Program is that we have the carriers verify with the Division of Welfare and Supportive Services that someone is eligible for our benefits, and therefore, eligible for the Lifeline Program. The Lifeline Program does provide phone service, and as of December 2016, it provides Internet and data. My understanding is that an individual can have one or the other or a bundle. The Public Utilities Commission (PUC) of Nevada is the entity that manages that. They put on a third-party carrier so that they can verify whether someone is eligible for that service. The carriers go directly to that PUC third-party administrator to verify that someone is eligible. Right now, applicants have to apply to individual carriers in their area, and as I understand, they are building an Internet location to apply for the benefit, but it is not in place yet.

Chairman Sprinkle:

Thank you for indulging the Committee with your statements. Is there anyone else that would like to come up in neutral to this bill?

Judy Stokey, Vice President, Government & Community Strategy, NV Energy:

We are here today in neutral to this bill. I really appreciate Assemblyman Thompson talking about this prior to the hearing. As you have heard, the UEC is a line item on your bill that all of our customers pay for assistance for electric and gas. We have been doing this for quite

some time, and unfortunately, there is still not enough money in there to handle every single need. As a result, NV Energy Foundation, in addition to that UEC, puts \$500,000 of its own money into assistance down south and another \$300,000 in the north. We know that there is a need. I understand what Assemblyman Thompson is trying to do with this bill. I think the Internet and computers, in general, are a necessity for education now; I just wish there was another fund to be able to use in order to do this.

Debra Gallo, Director/Public Affairs, Southwest Gas Corporation:

I wanted to echo what Ms. Stokey said for NV Energy. This is a line item on your bill; it is a per therm charge. For us, it is a little different. We would actually exempt out the usage that we sell to generate electricity, so customers are not double-charged. We collect it; we transmit it quarterly to the PUC of Nevada; and then from there, they transmit it to the Division of Welfare and Supportive Services. About 75 percent of that goes to bill assistance and 25 percent goes to the Housing Division of the Department of Business and Industry for the Weatherization and Energy Conservation portion of the bill. As it has been stated, there is definitely a need for this. We have customers who do get this money. It is with LIHEAP and UEC, so we get a list. We also have a separate program of energy assistance for our customers called Energy Share that is administered by different nonprofits, including the Salvation Army and HELP of Southern Nevada.

Randy J. Brown, Director, Regulatory & Legislative Affairs, AT&T Nevada:

I just wanted to mention a couple of things. First, AT&T shares Assemblyman Thompson's noble goal of providing Internet services to all households. AT&T offers a program called Access in our 21-state footprint, of which Nevada is one of those states. With at least one resident of the household qualifying for SNAP benefits, that household becomes eligible for this program. This program provides high-speed Internet services up to 10 megabits per second for \$10 per month. If only 5 megabits per second are available at that particular location, the charge is also \$10 per month. Should at least 5 megabits not be available at that location, we would offer 3 megabits, 1.5 megabits, or 768 kilobits to that location for \$5 per month. What is important to understand about this program is that once they qualify using their SNAP benefit, there is no commitment, no deposit, no installation fee, and they have access to all of our Wi-Fi hotspots as well as to the high-speed Internet in their home. We think it is a broad-reaching program, which we make available to low-income households.

The only other thing I would touch on, and it has been mentioned before, is that there is another program in place called the Lifeline Program. As was mentioned, a recent rulemaking was initiated in 2015 by the Federal Communications Commission, and they adopted the order in March 2016. In that order, which was published in April 2016, they are making the transition from providing support for low-income households for voice service to providing support for broadband Internet access to low-income households. This is a phased approach. Beginning in December 2016, households could make a choice whether they wanted that support which is \$9.25 per month. They could choose whether they wanted to be on their voice service or on their Internet service. Beginning in 2019, the voice option will be phased out on a gradual scale. On December 1, 2019, the subsidy for voice will go down to \$7.25 per month. In December 2020, it will go down to \$5.25 per month, and in

December 2021, the voice subsidy will be phased out completely. Beginning December 21, 2016, for mobile broadband or fixed broadband, the subsidy is \$9.25 per month.

Randy Robison, Director, State Legislative Affairs, CenturyLink:

I would like to reiterate the comments that Mr. Brown made. CenturyLink also has a low-cost Internet service that folks access in the exact same way. As he mentioned, we provide similar levels of service. He mentioned the Lifeline Program, and the migration from voice to broadband that is happening at the federal level and across the country. It is not the only program that will support the push to get broadband into low-income and rural communities. The main concern we have with the bill is the nexus between the fund and the expenditure that is proposed in this bill. Statutorily, this fund is set up to pay for energy and energy-related expenses; this bill proposes to use some of that money to pay for Internet service. We have seen this issue in other states and other legislation. Our concern is separating the intent of the statute with an indirectly related expenditure.

John P. Lopez, Government Affairs Manager, Cox Communications:

Cox Communications has taken a neutral position on this legislation. Cox Communications is the largest broadband Internet provider in Nevada. As one of the parts of our corporate commitment, to serve the communities in which we operate, we have a program as well. It is called Connect2Compete (C2C), and it started in 2012. It was actually part of the vision of our president, Pat Esser of Cox Communications. We serve families in southern Nevada within our footprint, we provide them high-speed Internet access for \$9.95 per month, and we hook it up for them with no charges.

Our eligibility is a little bit different because we serve kindergarten through twelfth grade children who qualify for free or reduced-price lunch through the National School Lunch Program or if the family is eligible for Temporary Assistance for Needy Families or the Supplemental Nutrition Assistance Program. In addition, Cox is partnered with the U.S. Department of Housing and Urban Development to support its ConnectHome Initiative. Families with kindergartners through twelfth grade children who live in public housing as well as kindergartners through twelfth grade families who receive tenant-based vouchers, project-based vouchers, or Section 8 assistance are eligible for Cox's Connect2Compete discounted Internet service offer.

Our president has given a commitment to us in southern Nevada; he wants us to hook up every eligible family that qualifies under this program. We work diligently to reach out to families that qualify for the \$9.95 reduced Internet service, and we would love to have the help of this Committee to reach out to those families, so they know about this program. We would be willing to work with individual legislators and community centers. The sky is the limit for this program, and we are very proud to offer it to southern Nevadans. For the record, I brought a flyer ([Exhibit E](#)) in English and Spanish to market our program.

Chairman Sprinkle:

Is there anyone else testifying in neutral to this bill? [There was no one.]
Assemblyman Thompson, would you like to come back for closing remarks?

Assemblyman Thompson:

Thank you again for listening. I think you can all walk away knowing that you learned a lot in this hour. I walked away listening to the additional testimonies with the word "opportunity" in mind. After hearing from the Division of Welfare and Supportive Services and other testimonies, about five programs were dropped in the conversation. As I said at the beginning, none of those were free. They were nominal, but none were free. I heard the Administrator of the Division of Welfare and Supportive Services say that they needed guidance, but I think this is the opportunity to build relationships, as well. If we can build those relationships with those five programs, we have these two pots of money plus the relationships and we have a 10- to 12-page application to think about as well. We have the opportunity to make something seamless. We have the opportunity to include people that should have this service, and I am excited to hear that there is no fiscal note right now.

We have also heard of the magnitude that we will be able to help. We talked about how many children do not have Internet access. I want to close out saying that we have opportunity here. I hope that this Committee and the rest of the Assembly can look at that. I know we talked about that line item on our bill. I would say the regular customer does not even know that they have been paying towards this pot of money for all of these years, or even that they have had that choice to say where those dollars go. I would say that I definitely want my contribution to this pot of money to go to Internet access.

[([Exhibit F](#)) was submitted but not discussed.]

Chairman Sprinkle:

I will close the hearing on A.B. 111 and allow people to leave if necessary. We will now open the hearing on Assembly Bill 108.

**Assembly Bill 108: Provides for the periodic review of Medicaid reimbursement rates.
(BDR 38-209)**

Assemblyman James Oscarson, Assembly District No. 36:

I am here to present Assembly Bill 108. In 2016, approximately 632,641 Nevadans had access to health care through the Medicaid program. Unfortunately, health care professional shortages in Nevada and concerns about the adequacy of reimbursement rates for providers threaten patients' ability to receive care. Currently, the Division of Health Care Financing and Policy, Department of Health and Human Services (DHHS), reviews reimbursement rates on a five-year cycle. However, there are no Centers for Medicare and Medicaid Services (CMS) or statutory requirements for this review. The Division has established a process for reviewing provider rate reimbursement which considers the following reimbursement rates for Medicare for the same covered services as surrounding states with the same covered services and like-states with similar demographics and population. The

Division follows the CMS's nationally recognized methodology for rate setting. This methodology includes assigned values as part of the rate calculation, which takes the type of work, practice expenses, malpractice, and geographic location into consideration.

Additionally, Medicaid is held to the upper payment limit, pursuant to federal regulations. This provision prohibits Medicaid from exceeding what Medicare would reimburse for the same services and aggregate. Assembly Bill 108 requires the Division to conduct such a Medicaid reimbursement rate review every four years. If the Division finds that the rate of reimbursement for services or items does not reflect the actual cost, the measure requires the Division to calculate the rate or reimbursement that actually reflects the cost and to recommend that rate to the Director of DHHS for possible inclusion into the State Plan for Medicaid.

On a personal note, having the distinct privilege of being the chair of this Committee last year and through the interim, this theme came regularly to us. The reimbursement rate is significantly affecting people's ability to get care and the ability to keep providers in our state to provide services and allow people to get the care they need. You will see many bills about Medicaid reimbursement, how we are going to assess it, and what we are going to do about it. With the help of staff and others who helped me draft the language for this bill, we felt as though this was the best way to make the process better. You will notice that there is specifically no requirement to force the Division to change the rates—only to examine them and find out where the deficiencies exist in order to make those recommendations to the Director. I am grateful for the support I have gotten and for those who are here to testify.

Chairman Sprinkle:

Thank you for the presentation.

Assemblyman Yeager:

How did you settle on a four-year review versus a different period? Is that based on anything in particular or other states' experience?

Assemblyman Oscarson:

There are several things that happen. There are over 258,000 codes that need to be reviewed. It is almost impossible to review those every year. In addition to that, additional staff would have to be employed. Right now, with the four-year cycle, they will roll. They may not all be reviewed every year, but there will be additional codes reviewed every year.

Assemblywoman Titus:

On section 1, subsection 1, it says to review the rate of reimbursement for each service or item provided under the State Plan for Medicaid. Does this bill propose that the reimbursement for pharmacy, durable goods, and hospital reimbursements be reviewed as well?

Assemblyman Oscarson:

It is my intent that all of those services be reviewed.

Assemblywoman Titus:

All services that Medicaid pays for would be reviewed every four years. Is that correct?

Assemblyman Oscarson:

Yes, because that is what we heard throughout the interim session as well. I know that the committee that you chaired heard similar concerns. That is another reason to have this four-year cycle. With the uncertainties we face with health care today, I think this is a prudent amount of time to allow the Division to do its work.

Assemblyman Carrillo:

What is the current reimbursement review rate?

Assemblyman Oscarson:

Currently there are no statutory requirements to do it. This would establish that. They make an effort to do the review every five years, but this would put it into statutory law to do the comparisons that are addressed within the contexts of the bill.

Chairman Sprinkle:

On page 2, line 7, it says "possible inclusion." Is the intent of this bill to do the study, but not mandate changes? Is it just to present the findings of the study?

Assemblyman Oscarson:

That is correct. Trying to bind a future Legislature to reimburse for those items would be difficult, if not impossible, to do. I think what we are doing is trying to provide the most accurate information in the most timely manner so that the Director can make decisions in case there are waivers that need to be applied for.

Assemblyman McCurdy II:

Would there be an exceptional case to allow for a review earlier than the four years, if something were to happen?

Assemblyman Oscarson:

I am not sure what that case would be, but I have found the Division to be very flexible in their ability to look at significant things when they change. We had the opportunity in the Assembly Committee on Ways and Means to look at pediatric surgeons and the need for more of them. We also looked at their reimbursement rates and how to implement them from a state process. I have found the Division to be very amenable in looking at those things and working with people who have concerns. Sometimes the things they look at require amendments, and that would take some time to do as well.

Chairman Sprinkle:

We will now take testimony in support of this bill. We will start in southern Nevada.

Ed Guthrie, CEO Emeritus, Opportunity Village, Las Vegas, Nevada:

Rates for Medicaid reimbursement for vital community services for seniors and adults with disabilities have not been made available to the community, and as far as I know, the Legislature, and they have not been reviewed in the last 12 years. Further, ([Exhibit G](#)) the Legislature established the "Rates Commission" in 2001 to review and/or establish rates for all Medicaid services. The Commission issued its report in 2002. One of the findings of that commission was that the reimbursement for jobs and day-training services, as one example, was woefully underfunded. Governor Guinn and the Legislature passed a rate increase in the state fiscal year 2004-2005 budget that only partially addressed the funding. One of the other recommendations was for those rates to be reviewed, and for those rates to be reviewed every two years if I remember correctly. Unfortunately, the recommendation was not followed.

Adult day care services for seniors, personal care services for adults with physical disabilities, and jobs and day-training services for adults with intellectual disabilities play an important role in assuring that seniors and adults with disabilities can live in a community setting, for example their own home, rather than being placed in a more costly and restrictive institutional setting. As an example in Nevada and throughout the United States, family members are the primary providers of residential long-term support services for adults with intellectual and developmental disabilities. National research shows that more than 65 percent of people with intellectual disabilities live in the home of a family member, usually mom and dad. Jobs and day-training services in Nevada provide a safe and sure placement for adults and youth with disabilities, which allow families to continue caring for their family members at home and both spouses to be able to continue their jobs.

Providers of these vital community services for seniors and adults with disabilities have seen their rates of reimbursement increase by 3.4 percent or less over the last 12 years. That is less than 0.3 percent per year, while rates for institutional services have increased by a substantially larger percentage.

As interpreted by the U.S. Supreme Court case *Olmstead v. L. C.*, 527 U.S. 581 (1999), the Americans with Disabilities Act requires Nevada and other states to offer people with disabilities community-based services as an alternative to either unnecessary or unwanted institutionalization. Adult day care services for seniors, personal care services for adults with physical disabilities, and jobs and day-training services for adults with intellectual disabilities can be a cost-effective way of assuring that seniors and adults with disabilities live in community settings or their own homes rather than being placed in institutional settings. They can only do this if the providers of these services receive rates of reimbursement that allow them to attract and retain qualified staff.

Opportunity Village, the people with intellectual disabilities whom we serve, and their families, all want to thank Assemblyman Oscarson and all of you for being champions for people with severe disabilities. We need your help now more than ever. We urge you to support people with intellectual disabilities and their families by having this four-year review of Medicaid rates of reimbursement for all programs that provide services. Nevada must

eliminate unnecessary segregation of people with disabilities and ensure that people with disabilities receive services in the most integrated setting appropriate to their needs if these services are chosen by that individual. Thank you.

Brian Patchett, President/CEO, Easter Seals Nevada:

I am with Easter Seals Nevada. I am also the chair of the Commission on Services for Persons with Disabilities, and I chair a group of providers called State of Nevada Association of Providers all of whom support this bill. I agree with what Mr. Guthrie just said. As we are looking at the budget for the Department of Health and Human Services, specifically the Aging and Disability Services Division, one of the things that is very clear this year that is being proposed is that we utilize more Medicaid dollars from the federal government. In doing so, I think it brings into contrast the issues related to rates. I appreciate this bill.

We do look at things like early intervention and autism services and try to make sure that the rates are going to sustain what we want to do. There are discussions going on in both of those areas, and in the long run, that should be able to resolve some of the rate concerns that are there. Frankly, we have not seen reviews of these rates for a very long time, and the rates are not based upon what the costs are in Nevada. As we go forward, we are going to look at not only reviewing them, but also changing them so that the providers of these services will be able to sustain in providing these services. Nevada, for the first time in a long time, is one of the top providers of folks who provide early intervention services to children aged birth to three years old, nationally. I hope that we can maintain that. The rates for services for folks with intellectual disabilities who need housing should be looked at as well. As Mr. Guthrie said, those rates have not been reviewed since 2002. If we can look at these on a regular basis, whichever Legislature is in place can make decisions in order to help us to be more sustainable. We would like to make sure that those we employ could be paid at the highest level possible. If you look at rates, it is our hope that we can increase rates in the future.

Charles Perry, representing Las Vegas HEALS (Health, Education, Advocacy, and Leadership in Southern Nevada):

We were an organization that supported the expansion of Medicaid services from a few legislative sessions back. We are here in support of A.B. 108. We have many people in Nevada who are deemed unable to receive services because certain providers are no longer providing services under Medicaid. We feel as though this is a great opportunity to look at the program, do the necessary research, and to move the reimbursement rates to a level that will attract providers, physicians, and specialists to our state, so that they can provide necessary services to our population.

Brenden Bussman, Member, Board of Directors, Las Vegas HEALS (Health, Education, Advocacy, and Leadership in Southern Nevada):

I also serve on the board for Las Vegas HEALS as well as have a couple of health care clients throughout Nevada. I appreciate Assemblyman Oscarson for bringing forward this bill. We are in full support. This is the start of getting into the details on how far along we are compared to other states. Before I came here, I was at a physician specialty office that would love to expand and provide more services, but they are limited because the

reimbursement level in this state is so minimal that the margins are very thin. I also have another group that would like to expand in Nevada and further jobs and economic development while adding to our base of physicians here in town. They are having a hard time figuring out where the numbers will work because the Medicaid rates need to be evaluated so they can continually be compared to other states. Other states are expanding, and it is almost a two-to-one in regards to what the margin is for reimbursement. I appreciate the Committee's consideration of this bill.

Chairman Sprinkle:

We will now take people in support of this bill in Carson City.

Connie McMullen, representing Personal Care Association of Nevada:

We are supporting A.B. 108 primarily because, as Mr. Guthrie said, our rates have not been increased since 2002. They were raised briefly in 2006, but then rolled back because of the recession. The Medicaid reimbursement rate for in-home care services is just not adequate to support a living wage for the medical caregivers that are still employed. It is insufficient to meet the true cost of doing business in our state to provide quality care. What we are really talking about here is access to care. If there are no providers to do the business, then those people who qualify for Medicaid do not get services. These are probably the most sick, lowest-income level people in the state. In-home care is bathing, grooming, dressing, and transferring to get out of bed, go to the table, or go to the bathroom. These very time-consuming tasks are nonmedical.

We do not do skilled care; they did get an increase these past few months because it was approved last legislative session. However, personal care was not in those providers that were recommended for an increase. We have not been in the Governor's recommended budget. We feel that the \$17 per hour currently provided for personal care is inadequate. That means that for every quarter-hour (15 minutes), the personal caregiver is paid \$4.25 (page 47 of [Exhibit H](#)).

For the homemaker, which is another service on the waiver, it is \$15 per hour. If you calculate the two minimum wage bills that are currently going through legislation, which range from \$12 to \$15 per hour, the homemaker service agency would just break even. For that reason, we are asking that if you raise the minimum wage (which we do support), please raise the rates as well. Since 2002, inflation has increased by 30 percent ([Exhibit I](#)). The state's minimum wage has been raised twice since then.

Additionally, Nevada has implemented the business tax that includes the commerce tax and the payroll tax. The Affordable Care Act required companies employing over 50 people to pay for insurance. I can tell you right now that most traditional care agencies employ at least 80 people, while some employ over 100 caregivers who do yeoman's work as far as taking care of people in their homes. All of these costs have made it more difficult to meet the need. These costs are in addition to the business license, the Department of Public and Behavioral Health initial license, and then the annual renewal license. If they were dinged for a deficiency in their care, they also have to pay fines. This is not something that they take

lightly. Of those licensed to do business in the state, only half are on the Medicaid plan services primarily because it is just inadequate for them to do while still covering their costs. We favor this bill and thank you.

Diane McGinnis, Private Citizen, Beatty, Nevada:

I am a Doctor of Nursing Practice, an Advanced Practice Registered Nurse, and a Family Nurse Practitioner, board certified. I am in favor of this bill only because I recently started my own practice, seeing patients in the rural areas. I started looking at my actual reimbursement. As I looked at that reimbursement, I was surprised how many codes there actually are. As they testified, there are thousands of codes, not just the general codes that we often use in the doctor's office for billing. I was just looking at the general office visit codes. In comparison, for the service that I am offering to a patient on Medicaid, and a physician offers the same exact service, it appears by my math that I am making about 67 percent of what the physician makes for the same exact code. With all of those, there are special circumstances. One of those might be that the nurse practitioners are now allowed to do their own business. That is an example of a special circumstance that changed from the last time the codes were reviewed. I am in support of having this in statutes so that it can be looked at.

George Ross, representing Sunrise Hospital and Medical Center:

Sunrise Hospital and Medical Center is the largest Medicaid provider in Nevada. I want to thank Assemblyman Oscarson for bringing this bill forward because it is a first step in helping to bring attention to the extent to which we underpay hospitals for the work they do with Medicaid. About 43 percent of Sunrise's patients are on Medicaid. On any given day, we have about 280 to 300 Medicaid patients. What this bill would do is make us much more conscious of the relative costs and various treatments in the hospital.

Right now, most of the stuff in the hospital is done as paid on a per diem basis. Consequently, someone else has to fill this hole in funding. That is what most of our arguments are about in this Legislature when it comes to health care funding. This will make you much more aware of the cost of the treatment, types of treatment, and what is really being paid for. It is a first step to be able to do that. Ultimately, we are all begging the question of where to get the extra money to recruit the good doctors and nurses as well as keep them. This will let us know how much everything costs, but it still will not help us pay them as much as they deserve. That is a problem for another day, but this is a great first start.

Marlene Lockard, representing Human Services Network of Northern Nevada:

We are a coalition of human services providers, and we would like to say, "Ditto."

Kelly Crompton, Government Affairs Officer, Office of Administrative Services, City of Las Vegas:

I will ditto most of what has been said, but I would like to say that this is an important bill, not only to the City of Las Vegas, but also as one of the priorities to the Southern Nevada Forum. We feel that this bill is an important step in the conversation about continuing to build on the development that we have seen in the Las Vegas Medical District where we

house the upcoming University of Nevada, Las Vegas (UNLV) Medical School and the Cleveland Clinic. It is important to have this discussion so we can attract and keep doctors in that area.

Tyre Gray, representing Las Vegas Metro Chamber of Commerce:

I would like to echo that this is a great conversation to have. This was a Southern Nevada Forum priority.

Catherine O'Mara, Executive Director, Nevada State Medical Association:

We support this bill, and we echo the comments that were made about access and attracting and retaining qualified health care professionals, including physicians. I think everyone agrees that we need to address the problem of Medicaid. In order to do that, you need to understand what the problem is. We think this bill will help with that.

Elisa Cafferata, Director of Government Relations, Nevada Advocates for Planned Parenthood Affiliates:

We have three health centers in Nevada, only one of which currently takes Medicaid because of some of the challenges that you have heard today. I would just add to the testimony that we have all but eliminated our safety net of family planning services throughout the state, and that is largely because of the problems of sustaining a health care practice with the Medicaid rates, particularly in rural Nevada. For that reason, we support this bill.

Jared Busker, representing the Children's Advocacy Alliance:

Ditto, we support this bill. We will continue to work during the future legislative sessions to ensure that this is not just a study, but that we actually implement the new rates.

Chairman Sprinkle:

Is there anyone else wishing to come up in support of this bill here or in southern Nevada? [There was no one.] Is there anyone in opposition wishing to testify? [There was no one.] Is there anyone neutral to this bill?

Marta Jensen, Acting Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services:

We are neutral on this bill, but I would like to offer a few bits of information. As Assemblyman Oscarson stated, we review this on a five-year calendar. Scrunching this down into four years is doable with the hope that two new positions are approved. If they are not approved, there will be a fiscal note added to this because I would need two additional staff. We failed to let Assemblyman Oscarson know that this would not include the pharmacy rates. We do have a set schedule for that which comes out from CMS data. Tiffany Lewis, who is our Chief of the Rate Development can give you more information on how we get that information.

Tiffany Lewis, Chief of Rate Development, Division of Health Care Financing and Policy, Department of Health and Human Services:

Regarding the question Assemblywoman Titus had earlier as to whether we would review the pharmacy rates, we are federally mandated through the CMS to set specific rates for pharmacies. Those are reviewed on a regular basis. I do not have the information with me, but I can get that to the Committee. We have very detailed information in our state plan as to the methodology we use. Those rates for the pharmacy services are updated regularly using national data files.

Marta Jensen:

We have heard several comments throughout the year where people are indicating that they have not received information on when those rates were last reviewed. Sometime last summer or fall, we started posting our rates online on our website with the current rate for that individual service. People can see that it was reviewed. However, just because it was reviewed, it was not always implemented depending on what our budget authority was at that time. In some cases, we can do rate adjustment in the interim in between the legislative sessions as long as we stay within our budget authority. We watch our projections very closely so that does not always occur.

Assemblyman Carrillo:

I know that Assemblyman Oscarson had mentioned something about the time. Is the five-year period in concrete or is it maybe a little sooner or after? He is asking for four years, but I know you mentioned a staffing issue.

Marta Jensen:

It is a rolling five years. As Assemblyman Oscarson indicated, it is not in statute so there is leeway. I will say that we do review our physician services on a yearly basis, and we report that to the Legislative Counsel Bureau on February 1 of every year. That suite of services is looked at annually. The rest of the services we try to do within the five-year period, but there is some flexibility. By enacting this bill, it would shorten it to a four-year period.

Chairman Sprinkle:

Is there anyone else in neutral on this bill? [There was no one.] We will hear closing remarks.

Assemblyman Oscarson:

It is always gratifying to hear people express their thoughts and ideas. I appreciate those who came to testify. It is always great to have people who are much smarter than you are in the room. Thank you, Marta, for correcting me. I somehow knew that CMS regulated those things. I appreciate the time that the Committee spent listening to me as well as the testimony of others. I urge your support in moving this bill forward.

[([Exhibit J](#)) was submitted but not discussed.]

Chairman Sprinkle:

I will now close the hearing on A.B. 108. Is there any other public comment in the north or south? [There was none.] This meeting is adjourned [at 3:23 p.m.].

RESPECTFULLY SUBMITTED:

Kailey Taylor
Committee Secretary

APPROVED BY:

Assemblyman Michael C. Sprinkle, Chairman

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a copy of information presented on the website "The Digital Divide," presented by Assemblyman Tyrone Thompson, available at <http://everyoneon.org/digital-divide/>.

[Exhibit D](#) is a proposed amendment to Assembly Bill 111 dated February 22, 2017, presented by Assemblyman Tyrone Thompson.

[Exhibit E](#) is an advertisement titled "Smart Tools for School," submitted by John P. Lopez, Government Affairs Manager, Cox Communications.

[Exhibit F](#) is written testimony submitted by Roxanne McCoy, National Association for the Advancement of Colored People, Las Vegas Branch 1111, dated February 2017, regarding Internet access.

[Exhibit G](#) is written testimony presented by Ed Guthrie, CEO Emeritus, Opportunity Village, Las Vegas, Nevada, dated February 2017, regarding Medicaid reimbursement rates.

[Exhibit H](#) is a copy of a publication submitted by Connie McMullen, representing Personal Care Association of Nevada, titled "Genworth 2015, Cost of Care Survey Nevada," published by Genworth Financial, Inc.

[Exhibit I](#) is written testimony in support of Assembly Bill 108 presented by Connie McMullen, representing Personal Care Association of Nevada.

[Exhibit J](#) is written testimony submitted by Barry Gold, Director, Government Relations, AARP Nevada, in support of Assembly Bill 108.