

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
April 29, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:06 a.m. on Monday, April 29, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Yvanna D. Cancela
Senator Chris Brooks
Senator James A. Settelmeyer
Senator Ben Kieckhefer
Senator Pete Goicoechea

GUEST LEGISLATORS PRESENT:

Senator Julia Ratti, Senatorial District No. 13

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Desirae Munns, Committee Secretary
Felicia Archer, Committee Secretary

OTHERS PRESENT:

Elisa Cafferata, Planned Parenthood Votes Nevada
Tina Gerber-Winn, Agency Manager, Rural Clinics, Public and Behavioral Health
Division, Nevada Department of Health and Human Services
Marlene Lockard, Nevada Women's Lobby

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Joe Casey, NARAL Pro-Choice Nevada
Joelle Gutman, Washoe County Health District
Jeanine Hansen, State President, Nevada Families for Freedom
Bob Russo
Juanita Cox, Citizens in Action
Sherry L. Rupert, Executive Director, Nevada Indian Commission, Department of
Tourism and Cultural Affairs
Mary Doucette, Board Chair, Nevada Society of Radiologic Technologists;
President, Association of Collegiate Educators and Radiology
Technologists
Lea Cartwright, American Registry of Radiologic Technologists
Margot Chappel, Deputy Administrator, Regulatory and Planning Services,
Division of Public and Behavioral Health, Department of Health and
Human Services
Jeanette K. Belz, American Registry of Radiologic Technologists;
Nevada Psychiatric Association
Joan Hall, President, Nevada Rural Hospital Partners
Jesse Wadhams, Nevada Hospital Association
Joanna Jacob, Nevada Dental Association
Will Adler, Scientists for Consumer Safety
A'Esha Goins, Greenbridge Consulting Group; EAZE
Beth Slamowitz, Senior Physician Policy Advisor, Division of Public and
Behavioral Health, Department of Health and Human Services
Robin Reedy, National Alliance on Mental Illness Nevada
Sarah Adler, President, National Alliance of Mental Illness Western Nevada
Peter Krueger, Nevada Petroleum Marketers Association
Kyle Davis, Nevada Conservation League
Jessica Ferrato, Solar Energy Industries Association
Bob Johnston, Western Resource Advocates
Cassy Rivas, Toiyabe Chapter, Sierra Club
Tim Farkas, Finance Director, Ameresco, Inc.
John Sande IV, Western States Petroleum Association
David Bobzien, Director, Governor's Office of Energy
Melanie Young, Executive Director, Nevada Department of Taxation
Shellie Hughes, Deputy Director, Nevada Department of Taxation

CHAIR WOODHOUSE:

We will begin with Senate Bill (S.B.) 94.

SENATE BILL 94 (1st Reprint): Revises provisions governing the Account for Family Planning. (BDR 40-446)

SENATOR JULIA RATTI (Senatorial District No. 13):

Senate Bill 94 came out of the Interim Health Committee (IHC). It makes sure we have access to adequate family planning in the State. The technical financial nuances of the bill are my focus today. The 79th Legislative Session included significant efforts to invest in the family planning needs of Nevadans. We have seen some rollback of funding at the federal level that impacts the whole State, especially rural Nevada.

Title X of the Public Health Service Act funding was significantly reduced. In response to that, two bills were introduced in the 79th Legislative Session. Senate Bill No. 122 of the 79th Session created the General Fund Account for Family Planning which is the topic of the bill you are considering today. A second bill, Assembly Bill No. 397 of the 79th Session appropriated \$1 million as a starting point to make sure we were again investing some State funds in family planning.

We left the 79th Legislative Session assuming the \$1 million approved would go into the Account for Family Planning. That is not what happened. I was not involved in the decision-making process that lead to funds not going to the Account for Family Planning. There were unintended consequences.

This money was put into a grant process. Worthy agencies received the money. That is good and I have no critique of the work the grantees did with the grant money, but one of the unintended consequences was that community health nurses were unable to receive funding. A ruling was made that indicated it would be inappropriate for the State to grant funding to a State agency. Many of the community health nurses are State employees and were cut out of the funding.

The IHC heard about the situation and pledged to come back to the 80th Legislative Session to make sure the intent for the family planning money was clear. More money is needed. In its original form, S.B. 94 was a recommendation from IHC to allocate \$12 million to family planning in the State. In January, we heard great news that the Governor had placed \$6 million into the Executive Budget for this purpose in addition to the IHC recommendation.

After much discussion with the Executive Branch and the Legislative Counsel Bureau's Fiscal Analysis Division Staff, we determined there is still value in processing S.B. 94 for three good reasons. Language to include community health nurses has been added. They are the main family planning resources for rural and low-income Nevadans. Not using the nurses was really unfortunate. It is critical they are eligible for this funding. Senate Bill 94 aligns the conversation about contraception with a list of 18 methods of contraception approved by the U.S. Food and Drug Administration (FDA). The bill adds voluntary sterilization for men, so contraception could be used by either gender, and it adds vaccinations which have a direct link to family planning.

Conceptual Amendment No. 134 ([Exhibit C](#)) to S.B. 94 directs the Account for Family Planning to be administered by the Director of the Nevada Department of Health and Human Services (DHHS). The purpose of the amendment is to give the authority to the Director to administer the program if the Department chooses to use the same grant funding process used after last Session. The amendment would remove a provision for 10 percent of funds for administrative costs because they are already included in the \$6 million proposed budget, so additional costs would not be needed in this budget account. The amendment deletes the appropriation. We are working with the Governor's staff to make sure the language and the appropriations line up.

SENATOR KIECKHEFER:

Does eliminating the 10 percent administrative costs affect language allowing for unlimited costs? It sounds like it is to allow no administrative coverage.

SENATOR RATTI:

It would allow no administrative costs in this account.

SENATOR KIECKHEFER:

We have many pay sources for vaccines. They are expensive and could eat away at this funding if it is used for vaccines. How will that work?

ELISA CAFFERATA (Planned Parenthood Votes Nevada):

Immunizations affect future fertility. They prevent many diseases that could render someone sterile. There is a fit for vaccines in the family planning world. The program was kicked off because of cuts in the family planning budget at the federal level. We have seen significant cuts in immunization funding in Nevada. Immunizations and family planning are often the things that bring

someone in to see the community health nurse, particularly in rural Nevada. This provides an opportunity to make sure patients get other important family health services.

The DHHS is interested in doing an evaluation of the programs to make sure it is the best use of the money. We will have better answers after that evaluation.

TINA GERBER-WINN (Agency Manager, Rural Clinics, Public and Behavioral Health Division, Nevada Department of Health and Human Services):

We use federal programs to get free vaccinations. Some people may have private insurance, but the vaccine may not be available under the insurance in a rural community, and there might not be a pharmacy. We work with grantees to order supplies and find the best costs.

SENATOR KIECKHEFER:

Will this funding continue to be run through a grant process? Does a grantee have to outline the use of funds in the grant application? Do they get a pool of unrestricted funds?

Ms. GERBER-WINN:

We would outline how they use and access the funds via specifications for services in our grant application process. It would be based on grantee scope of work and area of effort.

SENATOR KIECKHEFER:

I do not want this to erode the purchasing power for other family planning services.

SENATOR RATTI:

This language sets up the Account for Family Planning. A budget decision will happen behind that. In making that budget decision, the Joint Senate Finance and Assembly Ways and Means Committees can be more specific in direction about how the money can be spent.

SENATOR KIECKHEFER:

The Subcommittees did make a recommendation on this account. I do not recall it dealing with what services can be funded within the account. We can work it out.

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MARK KRMPOTIC (Senate Fiscal Analyst, Legislative Counsel Bureau Fiscal Division):

The Subcommittees recommended the Committee close the funding for family planning and appropriate the funding to the Division of Public and Behavioral Health (DPBH), DHHS community health services budget, B/A 101-3224.

HHS-DPBH - Community Health Services — Budget Page DHHS-DPBH-117
(Volume II)
Budget Account 101-3224

A total of \$3 million was approved, consistent with the Governor's recommendation. Funding was identified in a chart Fiscal Division staff developed for the Subcommittees for outreach and education, prenatal care, education and incentives, purchase of long-term contraceptives and targeted disease intervention and prevention.

Staff recommends that if the full Committees intend to use the Account for Family Planning established in S.B. 94, that the Committees redirect the appropriation to this account from Community Health Services B/A 101-3224. The amendments proposed in the bill would help facilitate that move. A grants project analyst was approved in DPBH that would be responsible for administering the grant program. That position should go with the funding. If the account resides in the DHHS Director's Office, it would be similar to other positions that have the same organizational relationships.

MARLENE LOCKARD (Nevada Women's Lobby):
We support S.B. 94.

JOE CASEY (NARAL Pro-Choice Nevada):
We support S.B. 94.

JOELLE GUTMAN (Washoe County Health District):
We support S.B. 94.

JEANINE HANSEN (State President, Nevada Families for Freedom):
We oppose S.B. 94 because it funds Planned Parenthood which does abortions.

CHAIR WOODHOUSE:
The Amendment No. 134 deletes the \$6 million appropriation.

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MS. HANSEN:
It will still be tax money.

CHAIR WOODHOUSE:
That is correct.

MS. HANSEN:
The result is the same.

CHAIR WOODHOUSE:
That is correct.

BOB RUSSO:
I oppose S.B. 94. I have submitted written testimony ([Exhibit D](#)).

JUANITA COX (Citizens in Action):
We oppose S.B. 94.

CHAIR WOODHOUSE:
The hearing on S.B. 94 is closed. We will hear S.B. 59.

SENATE BILL 59: Requires proceeds from fees collected for the use of Stewart Indian School land be credited to the Nevada Indian Commission's Gift Fund. (BDR 18-187)

Senate Bill 59 addresses the Nevada Indian Commission's Gift Fund.

SHERRY L. RUPERT (Executive Director, Nevada Indian Commission, Department of Tourism and Cultural Affairs):
The Nevada Indian Commission has been the lead on preservation efforts for the Stewart Indian School in Carson City. We have worked hard in the last 14 years to bring awareness of the school's history and look for potential funding to rehabilitate the buildings that remain.

We received \$5.7 million in the 79th Legislative Session for work on the Stewart Indian School Cultural Center, the welcome center and the old gym. We also received funding for a master plan for the facility that will help sustain it with public-private partnerships.

Bringing in additional revenues assigned to the Nevada Indian Commission Gift Fund is the purpose of S.B. 59. We would be able to charge a fee for others to use the site. It is 100 acres with more than 65 buildings. It is a special place with a long history. We see its potential. We want to use the revenue generated for preservation. If we bring partners to inhabit the buildings, they will improve maintenance and limit decay. The buildings need a lot of attention.

There was some concern about funding going to the Nevada Indian Commission's Gift Fund. Revenue could be carried forward into subsequent fiscal years. We did well on the recent audit of our Agency. It did indicate the Gift Fund is subject to the State budget rules. Contracting must be the same. The big need for the Commission is to carry the funds forward.

SENATOR PARKS:

What is your estimate for the amount of revenue likely to be generated and placed in the Gift Fund account? A fiscal note indicated \$12,500 could be generated.

MS. RUPERT:

The fiscal note states that there was a conversation they had with me. I gave an example of a professional soccer group that was interested in using the track and field space. They offered to rehabilitate the whole area for us. We held off on that because we understood that any of those revenues would go into the General Fund and could be used in places other than the Stewart Indian School. That is the impetus for S.B. 59. We want the revenues to stay with the School.

I do not have an estimate of what the funds would be. We are at the beginning of implementation of the master plan. We do not have anyone in line to rent the spaces.

SENATOR PARKS:

It does not sound like you are anticipating \$1 million annually.

MS. RUPERT:

It would be minimal, with money from some weddings on the grounds. We do not have many buildings that are fit for occupancy other than the buildings that are occupied by State agencies.

CHAIR WOODHOUSE:

I see no public comment. The hearing is closed. I will turn the chair over to Senator Parks for S.B. 130.

VICE CHAIR PARKS:

I will open the hearing on S.B. 130.

SENATE BILL 130 (1st Reprint): Provides for the licensing and regulation of certain persons who administer radiation. (BDR 40-61)

SENATOR JOYCE WOODHOUSE (Senatorial District No. 5):

The goal of S.B. 130 is to raise the standard of care and ensure the safety of Nevadans by establishing a licensing program to make sure those who perform radiation therapy or radiologic imaging have received the appropriate training and education.

Radiation can provide important medical imaging and therapy, but it can be dangerous. Some may not realize that although the vast majority of States require some kind of licensing for those who perform radiation therapy or radiologic imaging, Nevada does not. Nevada does not require any certification or specific education for people performing these services, with the exception of those conducting mammograms as required by federal law. There is no certification to ensure everyone understands the potential hazards of radiation and how to minimize exposure.

To rectify this situation and bring Nevada in line with the vast majority of other States, S.B. 130 requires certain people to obtain a license before performing radiation therapy or radiologic imaging and provides for the regulation of those licenses. The provisions help ensure people providing services are properly trained in order to protect themselves and the patients they serve.

Senate Bill 130 establishes the Radiation Therapy and Radiologic Imaging Advisory Committee to advise the Nevada State Board of Health, DHHS, DPBH and the Legislature regarding radiation therapy and radiologic imaging. We had a similar bill in the 79th Legislative Session which did not pass. The people who brought the bill forward before have continued to work on it through the Interim, and it is now in a form that the majority of people involved support.

MARY DOUCETTE (Board Chair, Nevada Society of Radiologic Technologists; President, Association of Collegiate Educators and Radiology Technologists):

I support S.B. 130. Nevada does not require those performing X-ray, thoracoscopy, computerized tomography or radiation therapy, except for mammograms, to have any education prior to exposure of their patients to ionizing radiation as a known carcinogen. Only those who have been educated in As Low As Reasonably Achievable standards and proper patient positioning should be operating these devices.

Senate Bill 130 proposes to create a licensure program for Nevada that establishes educational standards based on the level of need for all people who perform medical imaging examinations that use ionizing radiation. The structure would require full certification that allows those who are nationally certified in radiology, nuclear medicine, radiation therapy or as a radiologist assistant to perform the duties guided by their professional scope of practice.

Limited certification allows for body-specific radiologic imaging such as spine, extremity, thoracic, pediatric, skull and bone densitometry. Those moving to Nevada who are already nationally certified would be allowed to work without delay as their application for Nevada certification is being processed. Those now working in Nevada would be allowed to continue under a grandfather clause that would require continuing education to maintain their certification.

Section 32 of S.B. 130 specifies the professions the bill would not apply to. Standards already required for mammography would be transferred into this program for continuity. Senate Bill 130 would match standards in 47 other States that have established or are in the process of establishing licensing programs.

We do not want Nevada to be left behind as a State that does not prioritize radiation safety. Approving S.B. 130 will increase the standard of care and quality for our Nevada patients. We want all Nevada patients to know that those who are performing their medical imaging examinations have had education prior to exposure.

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SENATOR GOICOECHEA:

I support the bill because I am concerned about overexposure in some of the rural clinics. The bill mentions physicians and physician's assistants. Does that include a nurse practitioner? What are *Nevada Revised Statutes* (NRS) 630 and 633?

LEA CARTWRIGHT (American Registry of Radiologic Technologists):
Nevada Revised Statutes 630 and 633 reference the Board of Medical Examiners and the Osteopathic Medical Board. Those are physicians.

SENATOR GOICOECHEA:

I am concerned about just how deep we get in the rural communities. Would a nurse practitioner or an advanced nurse practitioner have the ability or would they be licensed?

Ms. DOUCETTE:

I have worked in Elko County for 18 years. Senate Bill 130 does not allow for physician's assistants and nurse practitioners. Most have medical assistants and those are provided for in the limited examinations category.

SENATOR GOICOECHEA:

Could the medical assistant become licensed?

Ms. DOUCETTE:

Yes.

Ms. CARTWRIGHT:

The American Registry of Radiologic Technologists is the national organization that supports the Nevada Society of Radiologic Technologists. We thank Senator Woodhouse for bringing the bill forward and Senator Goicoechea for working with us since it affects the rural areas. We provided a document with five proposed amendments ([Exhibit E](#)). I appreciate your consideration of the amendments, so we can bring the best version of the bill to the Assembly.

The first amendment is a technical change in section 4.5, subsection 4 of S.B. 130. It strikes the words "limited license". A limited license holder would not have the training and education necessary to receive a certificate in mammography. Amendments 2, 3 and 4 are requested exemption clarifications.

Section 32, subsection 6 of S.B. 130 in the 1st Reprint states the bill would not apply to those who administer radiation to nonhuman animals. The Nevada State Board of Veterinary Medical Examiners has requested a more explicit exemption of licensees in NRS 638. New proposed language is added as subsection 7 and subsection 8 at the request of the Nevada Dental Association and the Dental Hygienists Association. Radiation training and safety for dental hygienists and assistants is already regulated by their respective boards.

Amendment 3 makes the same change to the same language in section 72.3, and Amendment 4 removes section 56 and the conforming language in section 57 related to the use of radiation by dental hygienists.

In section 75, subsection 2 is the grandfathering language approved in the policy committee. The original draft of this bill had the language in section 43. When the bill was redrafted with amendments, the grandfathering language was moved to section 75, but the continuing education requirement was inadvertently left out. Section 75, subsection 2 paragraph (d) adds this requirement back. Subsection 4 was added in the redraft. It would prohibit the Division from charging a fee for those grandfathered licenses. The Division needs to collect a fee for the grandfathered licensees to offset the costs of administering and enforcing the education and safety requirements.

SENATOR DENIS:

What is the process now? Is there a separate license for radiology?

MS. CARTWRIGHT:

Nevada only licenses mammographers. No one else who administers radiation is licensed now. We are one of three States that do not require a license.

MS. DOUCETTE:

Nevada only licenses mammographers, and it does so through a federal mandate.

SENATOR DENIS:

Who does that licensing?

MS. DOUCETTE:

It is the DHHS through the Radiation Control Program.

SENATOR DENIS:
Would they do this licensing also?

Ms. DOUCETTE:
Yes.

SENATOR DENIS:
Many are exempted. Who is left in?

Ms. DOUCETTE:
Anyone performing radiology on humans, except the exemptions.

SENATOR DENIS:
There are many exemptions. What types of users are left?

Ms. DOUCETTE:
The reason podiatrists and dental hygienists and assistants are exempted is they have their own statutes to follow. This would cover anyone else using radiation on humans.

SENATOR DENIS:
How many people do you expect that will be?

Ms. DOUCETTE:
We expect about 2,000 or more. We now have 2,000 registered in Nevada. There could be medical assistants and anyone else who applies for the limited licensing.

MARGOT CHAPPEL (Deputy Administrator, Regulatory and Planning Services,
Division of Public and Behavioral Health, Department of Health and
Human Services):

My Division is responsible for regulatory and planning services which includes the radiological program and radiation control. Fees will be generated to cover the amount addressed in the fiscal note attached to S.B. 130. We expect their annual fee will be less than \$100.

SENATOR DENIS:

How will that compare to nearby States' licensing fees? I am looking at occupational therapy and how we compare to others. We are higher than many in some cases, but lower on some.

Ms. DOUCETTE:

We fall within the range of different States and are comparable to those nearby. We are not the highest.

SENATOR DENIS:

Have you compared what other States are doing?

Ms. DOUCETTE:

We can provide that information.

SENATOR SETTELMAYER:

We need an analysis of whether you would fund your entire costs, or you would subsidize the licensing with General Fund appropriation as some States do. The licensing boards should fund themselves rather than being a drain on the General Fund. I need more information.

JEANETTE K. BELZ (American Registry of Radiologic Technologists):

We have worked on this since August of 2017. The rural sections begin in section 43 of S.B. 130. That addresses the Federally Qualified Health Centers and Rural Health Centers (RHC).

JOAN HALL (President, Nevada Rural Hospital Partners):

The sponsors worked closely with us for two years. We appreciate their willingness to assure us that S.B. 130 has no negative impacts on the rural workforce or access to care. In our RHCs, radiology services are generally performed by medical assistants under the direction of a physician or a physician's assistant. Senate Bill 130 allows them to receive a limited license as long as they do continuing education. We have quality assurance programs in place. I support this bill.

SENATOR GOICOECHEA:

Senate Bill 130 allows for those doing this work to get continued training and improve service. In a rural community, a person can be transported with

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\$1,000 worth of X-rays, and some of them are not worth packing. I support the bill.

JESSE WADHAMS (Nevada Hospital Association):
We support S.B. 130.

JOANNA JACOB (Nevada Dental Association):
We support the amendment proposed today in [Exhibit E](#).

SENATOR WOODHOUSE:
We have tried to address the needs that have been brought up, especially for our rural communities. We want the caregiver and the patient to be protected.

VICE CHAIR PARKS:
I will close the hearing.

CHAIR WOODHOUSE:
We will hear S.B. 238.

SENATE BILL 238 (2nd Reprint): Revises provisions relating to marijuana.
(BDR 32-133)

SENATOR YVANNA CANCELA (Senatorial District No. 10):
The fiscal notes on S.B. 238 have been reduced to zero. I have the honor of representing the Senate District that has more marijuana dispensaries than any district in the State. About 25 percent of Nevada's marijuana dispensaries are in Senatorial District No. 10. I want to make sure the language we have in statute is best reflective of the industry as it operates today. There is much discussion about the future of regulation and enforcement in the marijuana industry.

Senate Bill 238 would address some of the challenges the industry is seeing today. The bill would clarify the transfer of a medical marijuana registration. These are technical changes to make the transfer efficient. It would address the question of single-stream inventory. A dispensary may have both medical and recreational products. The bill would allow them to track and sell both.

Senate Bill 238 addresses delivery. There is an underground black market delivery service that has popped up in the State that allows illegal vendors to

use logos and branding of Nevada regulated products in an illegal way. The language is meant to allow delivery services to be tied to a dispensary so we may keep better track of the State's inventory.

The Nevada Attorney General would be permitted to conduct a study to deal with overall enforcement issues in the State. We have challenges with illegal use of State branding. There is no clear space for dispensary owners or producers to report their logos are being used on a computer application illegally. With S.B. 238, the Office of the Attorney General (OAG) may conduct that study in conjunction with other law enforcement agencies.

CHAIR WOODHOUSE:

Do you have documentation that the fiscal notes have been removed?

SENATOR CANCELA:

Those fiscal notes showing no costs were added late to the Nevada Electronic Legislative Information System. They were unsolicited.

MR. KRMPOTIC:

There are some revised fiscal notes from the OAG indicating the amendment will eliminate the fiscal impact. A revision from the Department of Taxation stating the same was received. These revisions were due to the removal of certain sections of the bill that previously had fiscal impact, particularly sections 3 through 9 as introduced.

WILL ADLER (Scientists for Consumer Safety):

We support S.B. 238. It closes a loophole for an ongoing and onerous problem in the marijuana industry where we have legalized marijuana, but there are black market issues with delivery.

A'ESHA GOINS (Greenbridge Consulting Group; EAZE):

I oppose S.B. 238 on behalf of Greenbridge Consulting Group and EAZE. For several decades, underserved communities have been disproportionately impacted by the war on drugs. Senate Bill 238 would inadvertently criminalize another business form.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 238. I will open the hearing on S.B. 283.

SENATE BILL 283 (2nd Reprint): Revises provisions relating to prescription drugs. (BDR 38-114)

SENATOR CANCELA:

Senate Bill 283 has allowed me to learn much about the way Medicaid manages pharmacy benefits. It allows Medicaid the permanent flexibility to manage the preferred drug list (PDL). Being on the list allows a drug to be prescribed without prior authorization. Medicaid requires all drugs be covered, so long as the drug is FDA-approved and the manufacturer participates in the federal Medicaid Drug Rebate Program. It is not a closed formulary as in a private insurance plan.

Since 2010, the Nevada Legislature has been passing short-term fixes to prevent the 2010 requirements placed on the PDL from sunseting. Before 2010, DHHS had to exclude some classes from the PDL requirement. That has been suspended from July 2010 until June 30, 2019, in several actions. The bill is intended to make those changes permanent so Medicaid can make decisions based on clinical equivalency and effectiveness for inclusion on the PDL.

Senate Bill 283 allows for the DHHS Division of Health Care Financing and Policy (DHCFP) Pharmacy and Therapeutics Committee (PTC) to consider costs as part of their decision making. A proposed amendment before you ([Exhibit F](#)) is to clean up some of the language. Section 1 has been revised and allows DHHS to control the pharmacy benefit. Added language clarifies authority.

Though it is not stated in the bill, I want S.B. 283 to be effective January 1, 2020, not July 2019, to ensure the Department is completely prepared for any changes.

There are four fiscal notes on the bill. The Department of Public Safety, the State Board of Pharmacy and the DPBH fiscal notes show zero costs. The DHHS and DHCFP estimate savings of \$1.2 million over the biennium.

SENATOR KIECKHEFER:

I asked about this before and I remember a different number. Can you help me understand the figures?

BETH SLAMOWITZ (Senior Physician Policy Advisor, Division of Public and Behavioral Health, Department of Health and Human Services):

The numbers I gave you related to the bill after the amendments were applied. The fiscal note Senator Cancela referred to was the initial note DHHS submitted. After more fiscal analysis and taking into consideration the Department managing the benefit holistically, computable savings is approximately \$45 million with General Fund monies of approximately \$3.5 million.

SENATOR KIECKHEFER:
Please provide the analysis.

Ms. SLAMOWITZ:
We will be happy to provide that.

CHAIR WOODHOUSE:
Please provide it to our staff so we may all look at it.

Ms. SLAMOWITZ:
Our PDL is a list of preferred medications Medicaid prefers over other medications. It is not a closed formulary. We are required to cover any medication that is both FDA-approved and is rebateable. Based on NRS, we have been covering classes of drugs including antipsychotics, anticonvulsants and antidiabetics, and addressing them on the PDL since 2010 due to the extension language taking effect session over session.

Senate Bill 283 is asking to allow us to continue to address those classes as we have been since 2010. We have six anticonvulsants that are nonpreferred on the Medicaid fee for service drug list. Five of the six have preferred generics. One is not a first-line therapy.

Much thought and clinical background go into discussing these medications at the Division's PTC to determine if it makes sense to put a medication on the preferred drug list. That only means there is no prior authorization required to receive those medications. There is an allowance for a nonpreferred medication to be received based on medical necessity if the patient had an allergy or if one other medication did not work. If they are transferring from one plan to another, as far as continuity of care, they would be covered with no disruption of their medication.

SENATOR KIECKHEFER:

Every Session we put on the excluded list the typical and atypical antipsychotics for that reason. We did not want people to have to fail one medication before they got access to what they needed. I have a problem taking it off the excluded list for that purpose if that is changing.

Ms. SLAMOWITZ:

Just to clarify, NRS now says the only antipsychotics, anticonvulsants and antidiabetics that cannot be addressed on the PDL are for those patients who were on Medicaid and were approved before 2010. They cannot have any change in therapy since that approval. They must also have been on Medicaid from 2010 forward. We have been addressing those drugs as an excluded class since then with no ill effects.

SENATOR KIECKHEFER:

Does this take them off the excluded class?

Ms. SLAMOWITZ:

This action relates to the sunset language used for the last nine years to extend the original language put in NRS in 2003 to exclude those drugs. We had an exception for Medicaid in the 73rd Legislative Session in 2005 to not have to address those as excluded classes. That language has been addressed every Session since. We have been excluding them since 2010.

SENATOR KIECKHEFER:

Will they continue to be excluded even if we strike them out of NRS? This bill is asking to make what we have been doing permanent, so we do not keep having the PDL exclusion discussion every Session.

JEANETTE K. BELZ (Nevada Psychiatric Association):

This is an extremely complicated topic. It has taken me years to understand. In 2010, Nevada was in a severe fiscal crisis. The DHCFP proposed to eliminate the exclusions of typical and atypical antipsychotics from any restrictions placed on the Medicaid preferred drug list. It is true people on those drugs in 2010 could stay on them as long as they had no change in their treatment. By not excluding these drugs, rebates were received and some restrictions were placed on the drugs. In 2011, the reported savings was \$1.67 million per biennium. Savings for this biennium are \$1.2 million. Approximately \$750,000

of that is attributable to the atypical antipsychotics. The impact on the General Fund is lower.

The fiscal note presented with S.B. 283 addresses the value of the rebates, but that is only part of the story. I submitted a report from the Pew Charitable Trust ([Exhibit G](#) contains copyrighted material. Original is available upon request of the Research Library). Though it deals with Medicare, the principles are the same. On page 5, Pew notes policy makers should weigh the potential savings against the adequacy of other requirements designed to ensure appropriate access to medication. It says lack of access to medications can increase costs to other Medicare programs through increased hospitalization for complications and physician visits to manage medications.

Senate Bill 378 is a second bill being considered by the Senate that impacts the provision of pharmaceuticals to medicate patients.

SENATE BILL 378 (1st Reprint): Revises provisions relating to the pricing of prescription drugs. (BDR 40-574)

It would carve out the pharmacy benefit from the managed care organizations and require rebates to be provided directly to the State. The Nevada Psychiatric Association wants these two bills to be considered simultaneously to understand the full impact of the fiscal note being discussed today and the implications for patients. Both of the bills include a provision that the Division would be able to contract with a private insurer and a pharmacy benefit manager. We oppose the private insurer component.

It is difficult to determine clinical equivalency for mental health drugs. We remain opposed to S.B. 283.

ROBIN REEDY (National Alliance on Mental Illness Nevada):

Of the calls we receive at the National Alliance of Mental Illness, most are regarding housing and medications. Those calls make us feel most impotent in being able to help anyone. Psychotropic drugs and antidepressants react differently in every person. They are not like other drugs, such as insulin, where the results are assured. To wait six months for each one to fail takes years out of someone's life. That is not just for the person taking the drug. It affects their families, who have not given up on the person facing a mental health condition. The families are affected by any changes in the drugs. It is like

dropping a bomb on the family when they get the letter that says this is not the preferred drug or something new is required of them.

Anyone who needs medication for a mental health condition should get it without barriers. Families and patients are trained not to push back. People get the wrong medication or no medication when rules change.

We oppose S.B. 283.

SARAH ADLER (President, National Alliance of Mental Illness Western Nevada):
I have received much information from Dr. Slamowitz. On behalf of the severely mentally ill in Nevada, I request a bold but not expensive move. I want the antipsychotics placed permanently on the excluded list.

The fiscal note provided shows the savings to the State are predicted to be \$154,000 in fiscal year (FY) 2019-2020 and \$166,000 in FY 2020-2021. While that is significant money in the larger scope of the State's budget, the consequences of failing are much more expensive.

The Pew analysis showed 8 percent of antipsychotics and 7 percent of anticonvulsant prescriptions were for branded drugs with no generic alternatives.

I am the godmother of a severely mentally ill young man and the sister of someone diagnosed as bipolar. We should not wait until they fail to give them proper medication.

SENATOR CANCELA:

The bill merely creates continuity and uniformity for the way DHHS has been operating today. Bringing the PDL under one umbrella will allow for better control over the pharmacy benefit. It is tremendously important to make sure all patients regardless of disease state are able to access their medication. Senate Bill 283 does not change the way the benefit is administered today. It only brings it under the same umbrella. The Pew report is specific to Medicare which operates very differently from Medicaid which has structured and mandated rebates at different levels. Comparing the two programs is inaccurate. We should keep the discussion to what Medicaid does and how it operates.

Ms. SLAMOWITZ:

I agree. The two programs are different. Medicaid spending is recouped through rebates at approximately 45 percent. For Medicare, it is 19 percent. Medicare leans toward more generic drugs and sometimes has mandated generic programs. Medicaid does not. That is why we have a preferred drug list. New and highly expensive medications come to market. Manufacturers sometimes take two medications that have become generic, combine them and make a new brand-name drug. We are required to approve it and pay for it. Without a mechanism to somehow control the use, providing it has a high fiscal cost to the State.

We are only asking to continue to operate as we have been and to allow Medicaid the benefit of operating the pharmacy program efficiently, both clinically and fiscally.

SENATOR KIECKHEFER:

Why are you still leaving some medications on the list of excluded drugs if the goal is to manage the program?

Ms. SLAMOWITZ:

The medications left on the list for S.B. 283 were HIV, antihemophiliac and antirejection medications. They are disease specific with little competition. Manufacturers do not offer many, if any, supplemental rebates. It does not make sense to try to address their use.

The other drugs are different. The markets are different and vary. Rebates play a greater role.

CHAIR WOODHOUSE:

I will close the hearing on S.B. 283 and go to S.B. 254.

SENATE BILL 254 (1st Reprint): Revises provisions relating to carbon reduction.
(BDR 40-907)

SENATOR CHRIS BROOKS (Senatorial District No. 3):

Climate change in the form of increasing average global temperatures is one of the greatest challenges we are facing as a State, a Nation and a planet. There is a scientific consensus that human-caused greenhouse gas emissions are driving

the phenomenon. Nevada's public health, economy, wildlands and well-being are facing the consequences.

Think of the strained water resources, the powerful fires, the droughts and reduced snow packs as just a few of the examples among many. We need to take decisive action now in order to mitigate the impacts of climate change. In 2015, leaders from throughout the world gathered in France to come up with a plan to address the problem head on. They came up with the Paris Accord which emphasized we must keep the increase in average global temperatures to below 3.6°F. Signatories are obligated to reduce greenhouse gas emissions in a manner consistent with this goal.

The United States and every other country signed on. Although the Trump Administration has announced its intentions to withdraw the U.S. from these accords and has generally taken steps to weaken environmental protections, States and localities have demonstrated leadership by adopting the Paris frameworks for themselves.

It is in this spirit I present S.B. 254. It would declare the State of Nevada fully recognizes how serious the problem of climate change is and sets a goal for us to significantly decrease greenhouse gas emissions over the next several decades. By 2050, we hope to achieve a net reduction and be close to zero emissions. The legislation directs State agencies to find ways for us to reach this end.

A fiscal note from the Department of Conservation and Natural Resources (DCNR) would have the Nevada Division of Environmental Protection (NDEP) prepare the report annually. The Governor's Office of Energy fiscal note discusses consulting with agencies and stakeholders to create policy recommendations to reach these goals.

Since introduction of S.B. 254, Governor Steve Sisolak has signed Nevada on to the climate alliance which ties States to the goals of the U.S. under the Paris Accord. I have placed many exhibits attached to the bill online. The fiscal notes are the focus of my discussion today.

Section 1 clearly establishes where the Nevada Legislature stands on climate change to outline greenhouse emission goals for the State over the next several decades. Section 2 better equips State agencies in reducing greenhouse

gas emissions. It notes key sectors identified by the federal government and mentioned in NRS under reporting we have already done. Included are electricity production, transportation, industry, forestry, and commercial, residential and agricultural land use.

The bill sets forth the goal DCNR would be required to find and report ways Nevada could reduce greenhouse gas emissions from 2005 levels by 28 percent by 2025, 45 percent by 2030 and be near zero by 2050.

SENATOR KIECKHEFER:

My concern is in section 2, subsection 2, paragraph (c) of S.B. 254 that talks about the statement of policies including, without limitation, regulations. From the perspective of intent, is it your belief this gives Executive Branch agencies the ability to propose ideas, promulgate regulations, and bring them to the Legislative Commission for adoption? Would those affect any of these industries in a goal to reduce climate change?

SENATOR BROOKS:

Yes. Agencies possess those powers now. This gives the legislative intent for what we are trying to accomplish with this goal as it relates to reductions in greenhouse gas emissions and directing those agencies.

An amendment was introduced that slightly lowered the fiscal note from DCNR for the NDEP inventory because they already inventory these sectors once every four years as required by statute. This bill would propose they continue that schedule for all the sectors except electricity and transportation and that they would make an annual report on electricity and transportation. As introduced, the bill directed the Department to make an annual report on all of the sectors. As amended and reprinted, S.B. 254 directs them to complete their existing schedule on the other sectors and move to annual reports on electricity and transportation which are responsible for the vast majority of greenhouse gas emissions in Nevada.

PETER KRUEGER (Nevada Petroleum Marketers Association):

We support S.B. 254. The transportation sector is the largest contributor to greenhouse gas emissions. The amendment making the report annual for our sector will help. Without the analysis done by DCNR and NDEP, we would have nothing to work with.

KYLE DAVIS (Nevada Conservation League):

We support S.B. 254. Because climate change is already affecting Nevada, we think this is an appropriate use of the State's resources to understand where we are and how we can mitigate impacts.

JESSICA FERRATO (Solar Energy Industries Association Association):

We support S.B. 254. We agree with Mr. Davis. The fiscal note is appropriate.

BOB JOHNSTON (Western Resource Advocates):

We support S.B. 254 and echo Mr. Davis' comments. Nevada will not be acting alone in continually inventorying and assessing greenhouse gas emissions. Nevada is now 1 of 23 States that have joined the U.S. Climate Alliance. That commits Nevada to implementing policies that advance the goals of the Paris Accord, accelerating new and existing policies to reduce carbon pollution, and promoting clean energy at the State and federal levels.

CASSY RIVAS (Toiyabe Chapter, Sierra Club):

We support S.B. 254. We agree with others who have testified in support. The axiom "think globally, act locally" is accurate here. We do not have control over actions of China and Brazil, or our federal government, but we can take action to address greenhouse gas contributions in Nevada.

The fiscal impacts on the State will be more than offset by the economic benefits we will enjoy through an improved environment and public health.

TIM FARKAS (Finance Director, Ameresco, Inc.):

My company is a renewable energy and energy efficiency business. I was a public finance banker in Nevada. I support S.B. 254. Debt-rating agencies have started to ask State and local governments what they are doing about climate change. The DCNR reports will help bolster your efforts when the State has its debt review.

JOHN SANDE IV (Western States Petroleum Association):

We are reluctantly opposed. We do not oppose the policies we are discussing. Cost-effectiveness is not spelled out in the language. We could implement policies to meet carbon reductions. It is an important part of the discussion for taxpayers and constituents that the State look at the most cost-effective methods to carry out the policies. Some States have recognized they did not do a thorough enough job looking at the costs of policies they could pursue.

We look forward to being a stakeholder and participating in the discussions.

SENATOR GOICOECHEA:

Are you looking for another amendment that would also require the policy look at the fiscal aspects of these proposals?

MR. SANDE:

Yes. We would move to the neutral position if an amendment would satisfy that.

DAVID BOBZIEN (Director, Governor's Office of Energy):

We have testified in support of S.B. 254. We look forward to getting to work on this. We have a tight first deadline for turning around our preliminary work product at the end of 2019. The fiscal note is recognition our office has not done carbon policy in the past, and it is an expression we take this job seriously. We understand we have work to do.

CHAIR WOODHOUSE:

Please continue to work with Senator Brooks so we are clear on what we need to do if we will process this bill further.

We will close the hearing on S.B. 254 and open the hearing on S.B. 447.

SENATE BILL 447 (1st Reprint): Exempts sales of certain durable medical equipment, oxygen delivery equipment and mobility enhancing equipment from sales and use taxes. (BDR 32-1255)

MELANIE YOUNG (Executive Director, Nevada Department of Taxation):

Senate Bill 447 provides the necessary statutory language for the Nevada Department of Taxation to effectuate the measure passed by Nevada voters. Voters in Nevada approved the exemption in Initiative Petition (IP) 4 of the 2016 general election and IP5 of the 2018 general election.

SHELLIE HUGHES (Deputy Director, Nevada Department of Taxation):

Section 2 through section 4 of S.B. 447 define the terms of durable medical, mobility enhancing and oxygen-delivery equipment. Each section provides examples. Section 6 enacts the exemptions for sale and use taxes deposited into the State General Fund and it indicates the equipment must be prescribed

by a licensed provider of healthcare. Section 9 amends the local school support tax. Section 12 provides all exemptions become effective July 1, 2019.

Ms. YOUNG:

The Department has determined this would reduce sales and use tax revenues. Due to the lack of specific data, the impact cannot be determined. The Department has determined it can absorb the impact to implement the provisions of S.B. 447.

CHAIR WOODHOUSE:

We will close the hearing on S.B. 447.

We will rerefer S.B. 263. This bill needs to go back to the Senate Revenue and Economic Development Committee for some more work.

SENATE BILL 263: Revises provisions relating to the regulation and taxation of certain vapor products and tobacco products. (BDR 32-700)

SENATOR PARKS MOVED TO REREFER S.B. 263 TO THE SENATE REVENUE AND ECONOMIC DEVELOPMENT COMMITTEE.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR WOODHOUSE:

Seeing no further public comment, the meeting is adjourned at 10:02 a.m.

RESPECTFULLY SUBMITTED:

Felicia Archer,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
BILL	EXHIBIT / # OF PAGES		WITNESS / ENTITY	DESCRIPTION
	A	2		Agenda
	B	12		Attendance Roster
S.B. 94	C	1	Senator Julia Ratti	Conceptual Amendment
S.B. 94	D	1	Bob Russo	Testimony
S.B. 130	E	3	Lea Cartwright/American Registry of Radiologic Technologists; Senator Joyce Woodhouse	Conceptual Amendment
S.B. 283	F	1	Senator Yvanna Cancela	Proposed Amendment
S.B. 283	G	8	Jeanette K. Belz/Nevada Psychiatric Association	The Pew Charitable Trusts Policy Proposal: Medicare's Projected Classes Policy