MINUTES OF THE
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Eightieth Session
February 18, 2019

The Senate Committee on Health and Human Services was called to order by Chair Julia Ratti at 4:49 p.m. on Monday, February 18, 2019, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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 Julia Ratti, Chair
Senator Pat Spearman, Vice Chair
Senator Joyce Woodhouse
Senator Joseph P. Hardy
Senator Scott Hammond

STAFF MEMBERS PRESENT:

Megan Comlossy, Policy Analyst
Eric Robbins, Committee Counsel
Vickie Polzien, Committee Secretary

OTHERS PRESENT:

Eli Schwartz, Chair, Nevada Commission for Persons Who Are Deaf, Hard of Hearing or Speech Impaired
Rique Robb, Deputy Administrator, Aging and Disability Services Division, Department of Health and Human Services
Jeff Beardsley
Mike Eifert, Executive Director, Nevada Telecommunications Association
Rebecca Perry, Neonatologist, Renown Regional Medical Center, St. Mary's Regional Medical Center; Medical Director, International Milk Bank
Elena Medo, CEO, Medolac Labs
Katie Ryan, Dignity Health-St. Rose Dominican
Deepa Nagar, M.D., Neonatal Intensive Care Unit Medical Director, Dignity Health-St. Rose Dominican

George Ross, Sunrise Hospital
Michael Hackett, Nevada Academy of Physician Assistants
Liesl Sheehan, Prolacta Bioscience Inc.
Elisa Cafferata, Planned Parenthood Votes Nevada
Jared Busker, Children's Advocacy Alliance
Suzanne Bierman, Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services

CHAIR RATTI:
I will open the hearing on Senate Bill (S.B.) 93.

SENATE BILL 93: Revises provisions relating to the Nevada Commission for Persons Who Are Deaf, Hard of Hearing or Speech Impaired. (BDR 38-449)

SENATOR SPEARMAN (Senatorial District No. 1):
I am here as Chair of the Legislative Committee on Health Care (LCHC) for the 2017-2018 Interim, to present and read my written testimony in support of Senate Bill 93 (Exhibit C).

ELI SCHWARTZ (Chair, Nevada Commission for Persons Who Are Deaf, Hard of Hearing or Speech Impaired):
I am here to present written information on the Commission and testimony in support of S.B. 93 (Exhibit D).

CHAIR RATTI:
There are two fiscal notes on this bill. One is from the Governor's Office to add a full-time director position and the other appears to have come from the Department of Health and Human Services. We need to be clear to which office you believe the position should be designated.

MR. SCHWARTZ:
Ms. Rique Robb will be able to answer your question. My understanding is, one is from the General Fund and the other from the Telecommunication Device for the Deaf (TDD) surcharge.

RIQUE ROBB (Deputy Administrator, Aging and Disability Services Division, Department of Health and Human Services):
The Aging and Disability Services Division (ADSD) fiscal note is specific to the TDD surcharge and is inclusive of the director position as we oversee the surcharge aspect. I cannot speak on behalf of the Governor's Office. The current $25,000 coming out of the Governor's Office is from the General Fund. I am unsure if the personnel fees are inclusive of the director position or another position. For FY 2018-2019, we currently receive $25,000 to support the Nevada Commission for Persons Who Are Deaf, Hard of Hearing or Speech Impaired activities. They have requested an increase of $25,000 to equal $50,000 for each year of the new biennium, which would come from the General Fund. The ADSD fiscal note is inclusive of just the director position.

SENATOR WOODHOUSE:
When this bill is processed out of the Committee on Health and Human Services and re-referred to the Senate Committee on Finance, our Fiscal Analysis Division will take a look at this to make sure we are not doubling up anywhere.

JEFF BEARDSLEY:
I am a member of the Nevada Commission for Persons Who Are Deaf, Hard of Hearing or Speech Impaired, testifying for the Commission in support of S.B. 93.

MIKE EIFERT (Nevada Commission for Persons Who Are Deaf, Hard of Hearing or Speech Impaired):
As a member of the Nevada Commission for Persons Who Are Deaf, Hard of Hearing or Speech Impaired, I am here to testify in a neutral position. The Commission is not opposed to this bill. I have one correction to a statement made earlier. The current TDD surcharge was stated to be 7 cents, and is actually 6 cents. That is per Nevada Public Utilities Commission Docket No.18-01033; Docket No. 19-01024 is reviewing the calculation for this year's TDD surcharge.

We have concerns with regard to the funding of the director position. Our idea was to get recognition within the State to acquire General Fund money to support the needs of the community. We are not opposed to using the TDD surcharge. The ADSD fiscal note is missing the $50,000 we need from the General Fund. The ADSD may believe they are speaking to just their portion,

which is the TDD portion. There needs to be some marriage between the two. We do not want the deaf community to lose its foothold in the General Fund.

CHAIR RATTI:
I will close the hearing on S.B. 93 and open the hearing on S.B. 115.

SENATE BILL 115: Requires the State Plan for Medicaid to include coverage for donor breast milk. (BDR 38-560)

SENATOR SCOTT HAMMOND (Senatorial District No. 18):
Senate Bill 115 requires Medicaid to cover donor breast milk for babies born weighing 1,500 grams or less, having certain serious conditions or infections, or otherwise require nourishment from breast milk as prescribed or ordered by a physician or advanced practice registered nurse.

Our research clearly demonstrates that breast milk is best for all infants, especially for those born prematurely or seriously ill. Breast milk helps to prevent infection and ensure healthy brain development. A technical review of available evidence conducted by the World Health Organization confirmed that breast feeding is the optimal means of nourishing low birth weight infants. It found the next best option to be human donor milk.

Similarly, the American Academy of Pediatrics (AAP) supports using donor milk to improve the health of small preterm babies when necessary. According to the AAP, studies show that infants fed human milk have lower rates of a life-threatening intestinal disorder called necrotizing enterocolitis (NEC) which affects one in ten premature babies. This condition results in death for 30 percent of the infants with the disorder. However, studies show the risk of NEC is reduced by nearly 80 percent for infants who are fed pasteurized donor milk compared to those fed infant formula.

The problem for many premature infants is that while donor milk could significantly improve their health, it is not covered by Medicaid. Requiring Nevada Medicaid to cover donor milk would make a significant difference as the program covers 56 percent of all births in the State. Donor breast milk is not inexpensive, but the healthy benefits it creates would likely save State funds by reducing expensive treatment for hospital stays. When New York State considered a similar measure in 2017, the New York branch of the AAP

estimated that providing donor breast milk to the 3,500 eligible infants would save the state $10.5 million in direct hospital costs.

Nevada is by no means blazing a new trail with this bill, but we can be at the forefront of a change that other states have had in place to support some of their tiniest, most vulnerable and costly citizens. Other states including California, Kansas, Missouri, New York, Texas, Utah and the District of Columbia currently have similar requirements for Medicaid coverage. California's requirement has been on the books since 1998, Texas since 2008, and others passed in the last few years. I realize the Division of Health Care Financing and Policy of the Department of Health and Human Services has placed a fiscal note on the bill.

Nowhere in its calculations do I see consideration of the reduction in cost because of improved infant health, shorter hospital stays or reduced need for outpatient services. I look forward to working with the Division to develop a better understanding of what these savings might be in Nevada. This measure is family and fiscally friendly and I urge your support.

REBECCA PERRY (Neonatologist, Renown Regional Medical Center, St. Mary's Regional Medical Center; Medical Director, International Milk Bank):
I would like to affirm the importance of the AAP and other organizations who have stressed how important donor breast milk is to an infant in the first six months. Infants born weighing less than 1,500 grams have a significant risk of contracting NEC.

When I was on service this past weekend an infant died from NEC where ischemic bowel from the stomach was passed through the colon. As neonatologists we do our best to minimize this risk. In my practice, I see donor breast milk improves tolerance and infants go to full feeds quicker, therefore they need less days of total parenteral nutrition or intravenous nutrition. There is potentially less length of hospital stay needed for these babies, and the long-term benefits are too many to list.

I also affirm indications of this proposed bill on who would receive the donor breast milk and the importance of the fortifier. Babies who are quite small need extra milk which cannot fully provide the calories, protein, and phosphorus babies with critical nutrition issues need. There are concerns about the ethical use of non-profit versus for-profit milk along with paying donors to provide milk.

We need to have a thorough analysis completed showing the benefits of using non-profit milk. The for-profit industry allows these technological advances to happen which ultimately benefit these babies. On the other hand, we want to provide the safest and highest quality milk.

SENATOR RATTI:
There is some confusion about calling it donor breast milk which implies there is a donation, but there is a $25 million fiscal note attached to the bill, that is not a donation. Is someone able to walk through the process of how the milk makes it from one place to the next?

SENATOR HAMMOND:
Ms. Medo in Las Vegas may be able to provide an explanation. There are two friendly amendments (Exhibit E and Exhibit F) that have been proposed that may assist in explaining the position of the Nevada Academy of Physician Assistants and Tremont Strategies Group, and why they placed that fiscal note.

ELENA MEDO (CEO, Medolac Labs):
I am here representing Medolac Labs in support of Senate Bill 115 and have submitted written testimony (Exhibit G) which would require Medicaid to reimburse for the use of donor milk, human milk fortifier.

I previously founded Prolacta Bioscience in 1999 and led the development for the first human milk fortifier made from human milk. This fortifier is a protein concentrate that is added to a mother's own milk to increase the protein to a level that is four times more than human milk to meet the needs of these very underdeveloped, tiny babies for normal brain development, lean body mass and immune factors. I no longer have a financial interest in Prolacta but am enthusiastic about the product I developed.

I left Prolacta in 2009 with the goal of creating a new generation of donor milk that would allow high volume scale to decrease the cost while improving the quality and ease of use. We did receive an incentive package from the Governor's Office of Economic Development and relocated our company last year from Portland, Oregon to Boulder City, Nevada, bringing us closer to the fulfillment of our goal. We purchased a 47,000 square foot building and began development of one of the largest scale human milk processing facilities in the world. We have increased our production capacity from 1,000 gallons a month to several thousand gallons per week. We will have enough capacity when we

complete the plan in May to provide human milk to every preterm baby in the country at a fraction of the current cost.

You may wonder how many babies in Nevada would be affected by this. Out of the 38,000-40,000 births per year in Nevada, about 10 percent are born weighing less than 1,500 grams, or less than 3.5 pounds. About 472 of those babies will get NEC which is gangrene of the gut. It is a terrible disease, creates a lot of suffering, and has a high mortality rate and a very high economic cost.

I would second Senator Hammond's suggestion that when looking at the fiscal impact of this, the realistic view be collected on what it is currently costing the State to take care of these 472 babies, among which 157 will die of NEC. Studies have shown that at least half of those babies can be saved if they are given only human milk. Babies who live through life saving surgery to remove gangrenous intestinal tissue to save their lives will lose up to 80 percent of their gut, and thereafter have a difficult time.

The AAP recently published an economic impact report that put the average amount of one death through NEC at $12.5 million. Babies surviving surgery end up at home struggling to take solid food, grow and have incredibly high medical costs. Many die at the age of 8 or 9 years old after having end of life costs. The U.S. Department of Health and Human Services released Evidence Report/Technology Assessment Number 153, intended to help clinicians, employees and policymakers make decisions regarding provisions of health care services. In part two of the study they examined the relationship between NEC and breast milk feeding and I quote, "There is evidence to support an association between breast milk feeding and a reduction of the risk of NEC."

CHAIR RATTI:
Does this milk require pasteurization?

MS. MEDO:
Absolutely. Donors apply, fill out a screening form, and if pre-qualified are directed to go to any of the 1,500 LabCorp locations nationwide to have a blood test completed. Blood tests are completed for human immunodeficiency virus (HIV), human T-lymphotropic virus, human papillomavirus, hepatitis C and syphilis. The mothers donating are retested in our program every six months to ascertain they remain non-infective.

When the milk arrives, we ship a validated cooler to the donor. When the cooler is returned to our plant in Boulder City, we have a full microbiology and food safety lab where testing on the milk begins. We test for drugs, alcohol, bacteria, viruses and adulteration with diluting milk, or any other type of milk, or dilution with water. Only after that testing is done are the donations of the mother's milk, which average about four gallons each, processed and heat treated creating a shelf-stable product in a flexible pouch that is good for up to three years at room temperature.

CHAIR RATTI:
What is the process for locating donors?

MS. MEDO:
Most donors use social media and tend to visit our website, or the Mothers Milk Cooperative website.

KATIE RYAN (Dignity Health-St. Rose Dominican):
We are in support of S.B. 115.

DEEPA NAGAR M.D. (Neonatal Intensive Care Unit Medical Director, Dignity Health-St. Rose Dominican):
I am here on behalf of Dignity Health-St. Rose Dominican in support of Senate Bill 115 and will read from my written testimony (Exhibit H).

The fiscal note has placed this bill at $8.8 million for a 2-year period. However, a 2012 national health interview survey study on the use of human donor milk shows a state would save over $32 million per year in hospital lengths of stay alone. For every dollar we spend on human donor milk, a Neo-Natal Intensive Care Unit (NICU) cost savings is between $11 and $37 in hospital lengths of stay. Preventing approximately 15 cases of surgical NEC would justify the cost of the fiscal note alone, which equates to less than ten cases a year we would need to prevent.

SENATOR HAMMOND:
There is a proposed amendment, Exhibit E, provided by Mr. Hackett and one from Liesl Sheehan, Exhibit F, proposed amendment which adds language to the bill.

SENATOR RATTI:
Medolac Laboratories is a producer of donor breast milk. Several physicians seem to have an affiliation with Mednax. Can someone explain what Mednax is?

DR. NAGAR:
Mednax is a multi-specialty group which has a presence in each state of the country. For neonatology, we are present in 32 states. We cover neonatology as one of our most focused areas of clinical care. Currently our NICU coverage in Nevada includes every single hospital system and hospital including Las Vegas and Reno. The only hospital we do not cover is University Medical Center (UMC).

SENATOR RATTI:
Is there any relationship between Mednax and Medolac?

DR. NAGAR:
No, there is not.

SENATOR SPEARMAN:
Is there a reason UMC is not covered?

MS. NAGAR:
As I understand, UMC has not asked us for coverage.

MS. RYAN:
Our physicians are not employed, so we employ Mednax to cover our neonatology NICU services, I am unsure as to what UMC does.

Dr. NAGAR:
I would like to emphasize every hospital system has a different medical director. We are an independent group that focuses on providing coverage for donor breast milk as a priority.

CHAIR RATTI:
It appears as if some NICU babies are receiving donor breast milk now. Are Medicaid babies getting donor breast milk, and if so, how is it being paid for?

SENATOR HAMMOND:
I will defer to the folks in Las Vegas to answer that question.

CHAIR RATTI:
How close are we to meeting the need now? Are very young people who are on Medicaid now receiving this benefit or are they being excluded because they cannot afford it?

DR. NAGAR:
I am privileged to have worked with Dignity Health for the last several years and we have had this program since 2012. Every single patient that meets criteria to get donor breast milk, and/or Prolacta which is the fortifier, receives the donor milk at no cost to the patient. Our hospital system pays for it because we feel it is that important and we spend the money as we know it reduces overall cost. Not all hospital systems in our State are currently able to afford this cost. Each system has different criteria for which some patients are not eligible nor do they have this program in the NICUs. This is why our State has a higher rate of NEC than some of the other states.

MS. MEDO:
When human donor milk is provided it is quite often only provided for a short period of time. St. Rose Dominican Hospital provides donor milk for babies under 1,250 grams at birth and only until they reach 1,500 grams. At most other hospitals, such as UMC, they are not providing human donor milk at all. They do have a disproportionate share of population there that is less likely to breast feed than at other hospitals serving different populations. Up to 80 percent of the children meeting the weight category of under 1,500 grams are not currently getting donor milk in Nevada. As Dr. Nagar stated, that would explain the high infant mortality and NEC rates among this infant population.

GEORGE ROSS (Sunrise Hospital):
Sunrise Hospital in Las Vegas is in favor of Senate Bill 115. They use significant quantities of mother's milk and it definitely leads to better outcomes. Whether a child is on Medicaid or not is irrelevant to whether they receive this service. Once a child is in the NICU they get the best care we can provide whether they can afford 1 penny or 100 percent of the total cost.

CHAIR RATTI:
Today, is every Medicaid baby in the hospital you represent meeting the criteria and getting this product?

MR. ROSS:
I cannot say exactly. I do know whether a person is on Medicaid or not, it is irrelevant as to whether they receive donor milk. Their financial situation does not matter. We do have a significant program and use significant amounts of the product which is part of the program to care for NICU babies. We have the highest seriousness of NICU babies in the State.

MICHAEL HACKETT (Nevada Academy of Physician Assistants):
We want to include physician assistants among the two provider types that are identified in the proposed amendment, Exhibit E, of those who can, and do, issue these types of orders. The reason for this is to ensure there is coverage for those families when this order is issued by a physician assistant. That is the nature of the amendment, and we are in support of the bill.

LIESL SHEEHAN (Prolacta Bioscience Inc.):
I am here representing Prolacta Bioscience in support of Senate Bill 115 and the proposed amendment, Exhibit F. Doctors and experts all agree that mother's breast milk is the best source of nutrition for babies. The AAP recommends that breast milk be the sole source for all newborns up to age six months. Not all mothers can provide breast milk due to an inability to produce breast milk, adoption, surrogacy or other complications.

For very low birth weight babies, 1,500 grams and less, the need for breast milk is the highest. During the last trimester unborn babies receive vast amounts of nutrition through the umbilical cord. Very premature babies miss this crucial nutrition and their dietary needs are greater than what breast milk alone can supply. Without human milk based, human milk fortifier, not cow's milk based human milk fortifier, very low birthweight babies are at increased risk for developing NEC. They may encounter slower neurological development and other complications that can significantly and permanently impact a baby's quality of life if the baby survives.

This is where Prolacta enters the picture. Prolacta produces the human milk based, human milk fortifier mixed with the mothers own pumped milk, or other donor milk providing babies with the 100 percent human milk diet. The fortifier is necessary only until the very low birthweight babies reach what would be a full term gestational period and is key to avoiding the issues previously mentioned. The fortifier is being used by several NICUs in the State today.

In addition to these life-saving impacts of the 100 percent human milk diet, the use of the human milk fortifier is cost effective. Studies show the 100 percent human milk diet averages a 4.5 day reduction in NICU stay and 9 days less of total parenteral nutrition (TPN) feeding. The savings and the reduction of NICU stays and TPN feeding alone equates to over double the cost of the donor human milk and human milk based fortifier diet, making the course of treatment not only life-saving but cost effective. That is not to mention the cost of the avoidance of surgical intervention should a baby develop NEC.

The cost of just the surgery, where a premature baby's intestines are partially removed, often costs upward of $200,000. In comparison, the cost of the 100 percent human milk diet, which reduces the risk of NEC by 77 percent, is less than 5 percent of the cost of the surgical intervention.

In addition, Prolacta is a for-profit and does remunerate mothers, or a charity of her choice, one dollar per ounce.

SENATOR HARDY:
Is it a secret what is in the fortifier? Is there a label with the contents?

MS. SHEEHAN:
We have specific labels that identify calories and what is included for protein.

SENATOR HARDY:
Is human milk fortifier meant to be used alone until after the baby reaches 1,500 grams?

MS. SHEEHAN:
The fortifier is only used between 22 and 36 weeks gestational period depending on the baby and the actual case. Once the baby reaches the full term gestational period it is up to the physician or physician assistant. The fortifier is not used alone, it is mixed with the mother's own milk or donor milk.

ELISA CAFFERATA (Planned Parenthood Votes Nevada):
I am here on behalf of Planned Parenthood Votes Nevada. We have spent the last several sessions supporting the State to step up to address health care needs for healthy mothers and babies. We support this bill.

JARED BUSKER (Children's Advocacy Alliance):
Children's Advocacy Alliance is in support of Senate Bill 115.

SUZANNE BIERMAN (Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services):
The Division of Health Care Financing and Policy (DHCFP) is neutral on this bill. We recognize the benefits of breast feeding recommended as a best practice. We also recognize that breast milk can have even more significant health benefits for very low birthweight infants in particular.

However, we wanted to bring up questions with this bill and what it might mean for the DHCFP. Because this product is not regulated at the federal level, a regulatory framework would need to be established to ensure the product is safe and appropriate quality guidelines are established and followed. The DHCFP would need to make sure the product is tested and screened for various viruses such as HIV and hepatitis and there are safeguards to prevent the possibility of disease transmission.

There will be a fiscal impact related to this bill and the DHCFP is doing additional work on the fiscal impact. We still have a number of open questions and look forward to working with the sponsor and the Committee on Health and Human Services to clear up those issues. There will be costs associated with this as it will be a new service and product, and there are costs associated with regulation of this product. We welcome the opportunity to work through our open issues related to information we need for our revised fiscal impact. The current estimate is likely overstated, and will depend on foundational questions we have around the scope of the services.

CHAIR RATTI:
Senator Hammond I would appreciate your help looking into how many of our hospitals with a NICU that have a donor milk program, have babies within those hospitals getting the donor milk and how are they now being funded.

As there is no further business, we will adjourn this meeting at 5:52 p.m.

RESPECTFULLY SUBMITTED:

_____
Vickie Polzien,
Committee Secretary

APPROVED BY:

_____
Senator Julia Ratti, Chair

DATE:_____

EXHIBIT SUMMARY				
Bill	**Exhibit / # of pages**		**Witness / Entity**	**Description**
	A	1		Agenda
	B	6		Attendance Roster
S.B. 93	C	2	Senator Spearman	Written Testimony
S.B. 93	D	2	Eli Schwartz, Nevada Commission for Persons Who Are Deaf, Hard of Hearing or Speech Impaired	Written Testimony
S.B. 115	E	1	Michael Hackett, Nevada Academy of Physician Assistants	Proposed Amendment
S.B. 115	F	1	Liesel Sheehan, Prolacta Bioscience Inc.	Proposed Amendment
S.B. 115	G	3	Elena Medo, Medolac Labs	Testimony In Support
S.B. 115	H	2	Deepa Nagar Dignity Health-St. Rose Dominican	Testimony in Support