MINUTES OF THE
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Eightieth Session
May 8, 2019

The Senate Committee on Health and Human Services was called to order by Chair Julia Ratti at 4:15 p.m. on Wednesday, May 8, 2019, in Room 2135 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 Joseph P. Hardy
Senator Scott Hammond

COMMITTEE MEMBERS ABSENT:

Senator Joyce Woodhouse, Excused

GUEST LEGISLATORS PRESENT:

Assemblywoman Teresa Benitez-Thompson, Assembly District No. 27
Assemblyman Jason Frierson, Assembly District No. 8
Assemblywoman Connie Munk, Assembly District No. 4

STAFF MEMBERS PRESENT:

Megan Comlossy, Committee Policy Analyst
Eric Robbins, Committee Counsel
Michelle Hamilton, Committee Secretary

OTHERS PRESENT:

Randy Soltero, United Food and Commercial Workers International Union
Philip Ramirez, Prominence Health Plan
Kanani Espinoza, Boyd Gaming Corporation
Lindsay Knox, Nevada Orthopaedic Society

Hanna Olivas, Culinary Union
Shaun Best
Alfredo Alonso, UnitedHealth Group Inc.
Nick Vassiliadis, Anthem, Inc., Anthem Blue Cross and Blue Shield, Anthem Blue Cross and Blue Shield Healthcare Solutions
Fran Almaraz, Teamsters Local No. 631; Teamsters Local No. 986
Tom Clark, Nevada Association of Health Plans
Raymond McAllister, Nevada State AFL-CIO
Todd Ingalsbee, Professional Firefighters of Nevada
Mike Ramirez, Las Vegas Police Protective Association Metro, Inc.
Jim Sullivan, Culinary Union
Alfonso Lopez, Sheet Metal and Air Rail Transportation
Stacie Sasso, Health Services Coalition
Bobbett Bond, Culinary Health Fund
Susan Fisher, Nevada State Society of Anesthesiologists
Jesse Wadhams, Nevada Hospital Association
Joanna Jacob, Physicians for Fair Coverage; Dignity Health-St. Rose Dominican
Catherine O'Mara, Nevada State Medical Association
Jessica Ferrato, American College of Emergency Physicians
Tom Dunn, Professional Firefighters of Nevada
John Piro, Clark County Public Defender's Office
Tessyn Opferman, City of Reno
Joelle Gutman, Washoe County Health District
Christian Morris, Nevada Justice Association
Jim Hoffman, Nevada Attorneys for Criminal Justice
Dorothy Edwards, Coordinator, Washoe Regional Behavioral Health Policy Board
Charles Duarte, Chair, Washoe Regional Behavioral Health Policy Board
Dan Musgrove, Valley Health System; UHS Behavioral Health Hospital; WestCare of Nevada
Michael Hillerby, Renown Health
Sandra Stamates, Washoe Regional Behavioral Health Policy Board
Kevin Dick, Washoe County Health District
Rick Porzig, President, National Alliance on Mental Illness, Nevada
Joan Hall, Nevada Rural Hospital Partners
Mackenzie Baysinger, Human Services Network
Michael Hackett, Nevada Primary Care Association; Nevada Public Health Association
Cecelia Lampley

Cody Phinney, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services
Dena Schmidt, Administrator, Aging and Disability Services Division, Department of Health and Human Services

CHAIR RATTI:
I will open the hearing on Assembly Bill (A.B.) 469.

ASSEMBLY BILL 469 (1st Reprint): Revises provisions governing billing for certain medically necessary emergency services. (BDR 40-704)

ASSEMBLYMAN JASON FRIERSON (Assembly District No. 8):
This bill has taken over a decade of work to address what we have come to call surprise billing or balanced billing.

Third-party healthcare payers are responsible for providing members with access to appropriate quality care at a reasonable cost. This is accomplished by engaging in contractual partnerships with hospitals, physicians and other providers. It is critical to keep premiums and rates affordable for employer sponsored plans and individual policyholders. The provisions of these contracts provide for agreed upon rates that are substantially discounted.

As the marketplace dictates, sometimes payers are fortunate to contract for discounted rates with all of the hospitals and physicians in that community. Sometimes business negotiations fail and prevent payers from contracting with all hospitals and physicians. The standard practice and the majority of benefit plans require the members to obtain nonemergency care through contracted physicians or preferred hospitals. The payment for those services and care are at agreed upon contract rates.

In emergencies, the members may go to a hospital that may be out-of-network. In these instances, the patient is billed at a rate that is substantially higher by the out-of-network hospital than the contracted rates provided by an in-network hospital. In some cases, the health insurance only covers a small portion of the cost or even none of the cost. The patient is financially vulnerable even though they have health insurance.

Assembly Bill 469 seeks to address this problem by prohibiting an out-of-network provider who provides medically necessary emergency services

to a person covered by a policy of health insurance from charging that person an amount that exceeds the copayment, coinsurance, or deductible required by the policy. The essential goal of A.B. 469 is to take the patient out of the mix and incentivize the interested parties to resolve this without the patient.

Assembly Bill 469 requires an out-of-network facility, under the aforementioned circumstances, to notify the third party that provides coverage for the person who is receiving such services at the facility. It further requires transfer of that covered person to an in-network facility no later than 24 hours after the person's emergency medical condition is stabilized.

The bill also establishes a basis for payment under two different scenarios. For providers that were previously contracted or in-network within the previous 24 months, the bill requires the third party to pay and the provider to accept as compensation for those services an amount based on the amount that would have been paid for those services under the most recent contract between the third party and the provider. The third party would pay 108 percent of the amount if they are less than 12 months out-of-network and subsequently 115 percent if they are out-of-contract for more than 12 months but less than 24 months. For providers who have never been in-network or are beyond that two year mark, the third party is required to make a final offer of payment to the provider for the medically necessary emergency services.

If a provider does not accept the offer then the parties are required to submit the dispute to binding arbitration. To be clear in this measure, an out-of-network provider includes: a provider of health care; a hospital; or an independent center for emergency medical care that has not entered into a contract with a third party for the provisions of health care to persons who are covered by a policy of insurance.

The bill exempts critical access hospitals and a person covered by a policy of insurance sold outside of Nevada.

The cost of out-of-network emergency care is a challenge, not only in Nevada but across the Country. Nevada has wrestled with this issue for many years. This bill is not great for the providers or facilities. It is not great for the third-party payers, but I believe its passage will greatly benefit Nevadans with health coverage who may find themselves in an out-of-network hospital receiving treatment from an out-of-network provider in an emergency situation.

In this bill's simplest terms, a patient should not be caught up in the middle of this. The patient should be able to go to a hospital for emergency care, and everybody else other than the patient should figure it out. If they cannot figure it out, they go to arbitration, and there is an offer. They accept it and live with the offer or make a counter-offer.

There is a proposed amendment (Exhibit C) that makes technical adjustments that all stakeholders agreed were necessary to make sure we convey the intent of the bill and the intent of the parties coming to this resolution.

CHAIR RATTI:
Since there are no questions from the Committee, I will ask if there is anyone in support of A.B. 469.

RANDY SOLTERO (United Food and Commercial Workers International Union):
We are in support of A.B. 469.

PHILIP RAMIREZ (Prominence Health Plan):
Prominence Health Plan is a Reno-based company, providing health insurance to over 32,000 lives in northern and southern Nevada. Prominence Health Plan, formerly known as Saint Mary's Health Plans, has served employer groups, patients and Medicare eligible Nevadans for over 25 years. We employ over 150 Nevadans and provide insurance coverage for important consumer and business advocacy groups such as the Reno + Sparks Chamber of Commerce.

I cannot understate the significant issue surprised billing has been for our insureds for many years. We receive countless personal stories of individuals and families impacted by this practice. This is a landmark consumer protection bill. While compromise means that all parties must make a sacrifice to reach an understanding, A.B. 469 ensures the interest of the patient is protected, which is as it should be. This is why we support this bill.

KANANI ESPINOZA (Boyd Gaming Corporation):
We are in support of A.B. 469. Boyd Gaming Corporation has approximately 12,000 employees in Nevada and insures approximately 1,400 employees and families. Our employees and their families should have the security and peace of mind that an emergency medical visit will not place their family in financial jeopardy.

LINDSAY KNOX (Nevada Orthopaedic Society):
Providing the best possible care for our patients is our top priority. Our members strive to be in-network due to the fact our care does not end in the emergency room. Being in-network is extremely important to our patients and physicians. We are not and we are glad this bill takes the patient out of the middle. We are also supportive of the reporting mechanism contained in the bill.

HANNA OLIVAS (Culinary Union):
I am in support of A.B. 469. I will read my testimony (Exhibit D).

SHAUN BEST:
I am in support of A.B. 469. I will read my testimony (Exhibit E).

ALFREDO ALONSO (UnitedHealth Group Inc.):
We support all the work done for the past ten plus years, which is what it took to get us here today. The stakeholders negotiated for hours on end. I did not think we would get to where we are today. Everyone is going to be moderately upset with this bill, which means it is perfect.

NICK VASSILIADIS (Anthem, Inc., Anthem Blue Cross and Blue Shield, Anthem Blue Cross and Blue Shield Healthcare Solutions):
This bill has been a decade in the making and it has been tough, very tough. I think everyone is slightly upset, but the good thing is the patient is out of the middle. This is a fight for everyone else to deal with. We support A.B. 469.

FRAN ALMARAZ (Teamsters Local No. 631; Teamsters Local No. 986):
I represent the over 25,000 teamsters in Nevada, who welcome this bill. Many of our members have received surprised billing, even though we have great insurance.

TOM CLARK (Nevada Association of Health Plans):
There was a lot of work done creating this bill and I believe that just like an emergency room, what goes on behind the curtain is what is really important. The consumer is protected and that was the goal. There were two other goals as well. Fix the contracting issues and do it in a way that does not erode the great insurance plans we currently have in Nevada.

RAYMOND MCALLISTER (Nevada State AFL-CIO):
We have 170,000 members and families. We are in support of A.B. 469. I have been one of those people who has worked on this issue for what seems like decades.

TODD INGALSBEE (Professional Firefighters of Nevada):
We support A.B. 469. We echo the remarks of everyone else.

MIKE RAMIREZ (Las Vegas Police Protective Association Metro, Inc.):
I also represent the Las Vegas Metropolitan Police Department, Employee Health and Welfare Trust. We cover over 11,000 bodies; both retired and active members. We support A.B. 469. This is a step in the right direction to protect the patients from balanced billing.

JIM SULLIVAN (Culinary Union):
There has been a lot of compromise, but we have taken the patient out of the middle of this process. We support A.B. 469.

ALFONSO LOPEZ (Sheet Metal and Air Rail Transportation):
We are in support of A.B. 469.

STACIE SASSO (Health Services Coalition):
We represent roughly 280,000 lives in southern Nevada between our 25 employer and union self-funded health plans. This bill offers great protection for the patients and keeps them from medical bankruptcy. These people are accessing health care in the event of an emergency. They do not have the time to see if the hospital is on their health insurance plan. We support A.B. 469.

BOBBETT BOND (Culinary Health Fund):
The Culinary Health Fund covers 126,000 lives in southern Nevada. We have been part of this process for about 15 years. This bill is not perfect; all of us wish it were slightly different. Every plan in the State has the opportunity to have its members protected from balanced billing. We hope this is something the insurance plans adopt to protect those patients.

CHAIR RATTI:
Is there anyone neutral on A.B. 469?

SUSAN FISHER (Nevada State Society of Anesthesiologists):
We agree with what everyone else has said, but we are neutral on A.B. 469.

JESSE WADHAMS (Nevada Hospital Association):
It took us a long time to get to neutral on A.B. 469.

JOANNA JACOB: (Physicians for Fair Coverage; Dignity Health-St. Rose Dominican):
We are here neutral for A.B. 469 and we have filed detailed testimony (Exhibit F) outlining our concerns and issues in regard to this bill.

I would like to add patients must understand when they are covered under this bill. We know that this is not a complete solution to surprise billing even though it is an admirable first step.

There are two important components to this bill. There is going to be a list of insurance plans who elect to be covered by this bill. This will be published on the Department of Health and Human Resources (DHHS) website. The other important patient protection is the definition of "medical necessity" and a "prudent person".

CATHERINE O'MARA (Nevada State Medical Association):
We are neutral on A.B. 469. We believe in the aspect of the bill that protects the patient. We do remain a little concerned about the implementation of this bill. We have had discussions about the narrowing of insurance networks and what that means to the patients in Nevada who have limited options. Narrow networks helped create the problem of balanced billing.

We are solving part of the problem, but we need to keep an eye on it. We will be back as the bill is implemented to let you know how it is going. I am hopeful I can return next Session and say, "This is going well and patients are out of the middle, insurance plans have opted in, physicians are billing better and everyone is getting along."

We are not able to say this now. If there are issues that impact access to care, threaten our safety net, payment shenanigans, or we start seeing networks narrow, we would like the opportunity to address this in the Interim and next Session.

I represent all the physicians in this State and that includes emergency physicians and those who take trauma calls. This bill will affect them. They respond to the call under their code of ethics without doing a wallet check, without making sure the patient is insured or has an ability to pay. We want them to continue to do that. We also want patients to continue to go to the emergency room in an emergency situation. As this bill gets implemented, if there is an impact on this effort, we will report this back to you.

We are pleased with the transparency contained in this bill, including the opportunity to report this kind of data to DHHS. There is a little more work on the regulations to make sure health plans are opting in, so physicians will know if their plan has opted in. There will be a bit of regulation work on the arbitration side which is important to physicians. The average emergency bill is under $1,000. We want to make sure we have access to a remedy that does not cost more to resolve than what the claim is worth.

JESSICA FERRATO (American College of Emergency Physicians):
The American College of Emergency Physicians represents more than 500 emergency doctors in Nevada. We service about 1.5 million patients per year Statewide. This bill impacts every single one of the doctors that are part of this association. This is a contentious issue. We are neutral because we have some physicians that are comfortable with this bill and some who are not.

I want to highlight some portions in this bill that we appreciate. Section 17, subsection 3, outlines the small claims arbitration process. Our average bill is under $1,000 and we wanted to make sure there was fair access to an arbitration process. We did not want the cost of arbitration to be double the bill we are arbitrating. Section 19 is a transparency measure. This allows us to report to DHHS to track how this bill is performing, the impact to patients, the impact to physicians and the insurers. This is an outlet to report the ramifications and perhaps unintended consequences or positive consequences.

CHAIR RATTI:
I will close the hearing on A.B. 469 and open the hearing on A.B. 129.

ASSEMBLY BILL 129 (2nd Reprint): Requires certain first responders to receive certain training concerning persons with developmental disabilities. (BDR 40-157)

ASSEMBLYWOMAN CONNIE MUNK (Assembly District No. 4):
Assembly Bill 129 is the result of what I call my Otto Zehm Story. Otto Zehm was a man with a developmental disability from Spokane, Washington, who died March 20, 2006 during an altercation with police officer Karl Thompson. Otto committed no crime, and on May 30, 2006, the Spokane County coroner ruled the death a homicide.

On March 18, 2006, Otto, who worked as a janitor and did not own a car, had gone on foot to an ATM at his bank to withdraw money from his account. Two young women, who were in a car at the ATM when Otto arrived, erroneously reported to police by phone that a man was attempting to steal money from the ATM. The women followed Otto in their car while reporting additional information to police dispatch by phone.

Otto next entered the convenience store that he routinely visited to buy a soft drink and fast food. Video from the convenience store security cameras showed that within 16 seconds of officer Thompson entering the store, the officer had run up to Otto, whose back was initially turned to him, twice ordered him to "drop the pop" and batoned Otto to the ground; the first of at least seven baton strikes used on Otto, including strikes to the head. Within another 16 seconds Otto had also been tasered. In addition to multiple beatings and tasering, Otto was improperly hog-tied by police and placed on his stomach for more than 16 minutes. Furthermore, the police requested a non-rebreather mask from paramedics at the scene and strapped it to Otto's face. The non-rebreather mask was not attached to oxygen. Otto stopped breathing three minutes after the mask was placed on his face. When ruled a homicide by the county coroner on May 30, 2006, the cause of death was reported as "lack of oxygen to the brain due to heart failure while being restrained on his stomach". No illegal drugs or alcohol were found in Otto's system. The altercation was on tape at the convenience store.

By the time Otto died, there were seven other policemen holding Otto down. He was crying out and he could not understand why he was being hit and treated this way. His last words were, "All I wanted was a Snickers bar."

I was working as a mental health specialist at the time and Otto had been my client and patient.

Assembly Bill 129 requires ambulance attendants, firefighters, emergency medical technicians, paramedics and peace officers to complete training of developmentally disabled persons so they can learn to identify and interact with developmental disabilities. It further requires first responders, who are already certified or licensed to submit on or before October 1, 2020, proof that they have completed training.

CHAIR RATTI:
I want to bring to the attention of the Committee that we have a proposed amendment from the Nevada Justice Association (Exhibit G). Seeing no questions from the Committee, I will open the meeting to anyone in support of A.B. 129.

TOM DUNN (Professional Firefighters of Nevada):
We are in support of A.B. 129 for several different reasons. First of all, there have been several incidences nationally that involved people with developmental disabilities with both police and firefighters that have had less than a positive outcome. A couple of years ago, there was a national story where there was a person with developmental disabilities sitting in the middle of the roadway. His caregiver was attempting to get him out of the roadway and unfortunately, that caregiver was shot by a law enforcement officer who did not have the proper level of training.

One of the biggest reasons why we are here to support A.B. 129 is one of our members, Art Reitz and his wife Carol have a child who has autism and they run a JUSTin HOPE Foundation in Reno, Nevada. The JUSTin HOPE Foundation is a 501(c)(3) nonprofit that has provided training for first responders for the last four years across the State, free of charge.

To date, they have trained over 2,800 first responders. The JUSTin HOPE Foundation also provides additional services. They also run a small business that provides funding for the Foundation. They provide a facility for people with developmental disabilities and their families.

MR. M. RAMIREZ:
The Las Vegas Metropolitan Police Department currently provides this training. This would codify what we are already doing and we are in support of A.B. 129.

JOHN PIRO (Clark County Public Defender's Office):
This is a great bill and we are glad our concerns were addressed with the amendment. To be clear, we are in support of A.B. 129 with the amendment that removes the language about willful misconduct. Were that amendment not to go through, we would move to opposition.

TESSYN OPFERMAN (City of Reno):
We are in support of A.B. 129. We feel it is important our first responders get training to handle developmental disorders. We are in support of the bill as written, not with the proposed amendment. Developmental disorders are complicated and we do not want to put this responsibility on our firefighters and peace officers.

Their main goal is to fight fires and save lives and we are concerned about the amendment. We would be happy to work with Assemblywoman Munk. I think that there can be some language that we can agree on so that we protect our first responders and make sure they get the necessary training.

CHAIR RATTI:
It is my understanding there are other places in the law where law enforcement already enjoys broad protections from liability under sovereign immunity.

Is there anyone who is able to address this? I believe there are already protections from liability and if you could articulate why what is already in law is not sufficient, that would be helpful.

MS. OPFERMAN:
I do not know the specific protections, but you are right, they are protected in many cases. We can get back to you.

SENATOR SPEARMAN:
You are not in favor of the amendment, but feel training is important. Is this something you are already doing?

MS. OPFERMAN:
We are definitely in support of the training part. The amendment proposed removes section 10.5. We would like to keep section 10.5 or potentially come to another amendment to protect our first responders. We are not in support of removing the indemnity portion of section 10.5.

JOELLE GUTMAN (Washoe County Health District):
We are in support of A.B. 129. The Health District used grant funding from the Nevada Governor's Council on Developmental Disabilities to develop a one-hour online training for first responders with affiliated continuing education units (CEUs) for law enforcement and other first responders. We are pleased to offer this training Statewide.

CHRISTIAN MORRIS (Nevada Justice Association):
I am here on behalf of the Nevada Justice Association in support of A.B. 129. We think it is an excellent bill as it has been amended. It will support the community and most important, protect the most vulnerable members.

CHAIR RATTI:
Can you explain the reason for the amendment?

MS. MORRIS:
There is sovereign immunity already in place for members of the government and their actions in the course and scope of their employment. In this case, we do not want the unamended version, because we want to ensure those vulnerable members of society can be made whole.

We do not want to rob them of their rights while we are putting a law in place to protect them. There is sovereign immunity already in place which has a cap on those damages and certain administrative processes that need to occur before you could "sue" a member who works for the government whether they be a police officer or firefighter.

This bill should not give an absolute blanket immunity; this would in some way contradict the sovereign immunity laws that are already in place. More important, in the event something occurs where there is negligence, there is already a process in place. Without the amendment, the rule would be somewhat in contradiction to the way the sovereign immunity caps already exist.

We want to encourage the training, but we do not want to make it impossible for people in some cases to be made whole in the event negligence occurs. As it is amended, it is a bill that we fully support and believe to be necessary. The immunity language states if they do not get the training they are 100 percent immune. That would be in conflict with the way the sovereign immunity rules

work and the caps for anyone who works for the government, medical provider, county or State.

JIM HOFFMAN (Nevada Attorneys for Criminal Justice):
We support A.B. 129 with the amendment and would oppose A.B. 129 without the amendment. The first point is we have this negligence process and under this process either a judge or a jury looks at the case and decides whether the firefighter or the police officer was acting in the way that an ordinary, reasonable person would. If they are acting reasonably, the case gets dismissed; nobody is liable. It is only firefighters or police officers who are acting unreasonably, who are doing something that they should not be doing who are covered by the negligence standard. I do not think this portion is necessary. It gives them absolute immunity even when they are being unreasonable. I do not think that would protect disabled people. I think it hurts them.

The second point is no other profession has this kind of absolute immunity based on training. I am a lawyer and I have to take training every year. I can still be sued for malpractice if I screw up. A doctor has to take training every year and they can be sued for malpractice. I do not think we should give absolute immunity to police officers, firefighters, etc.

ASSEMBLYWOMAN TERESA BENITEZ-THOMPSON (Assembly District No. 27):
I wanted to support my colleague Assemblywoman Munk. I have been working with her on this bill. I want to address the point that has been made about the conflict over the amendment. We are having ongoing conversations because we want to strike the right tone. I think the example that was just given about different licensing types having ongoing and mandated training by their licensing boards is a good example. A firefighter is not a licensing type with a licensing board with an ongoing CEU requirement. We are talking about training, which is more of an awareness of this special population. We do not think that level of training constitutes proficiency; certainly not clinical proficiency. It is not a proficiency standard similar to a licensing standard. We hope to come to a good resolution.

CHAIR RATTI:
I will close the hearing on A.B. 129 and open the hearing on A.B. 66.

ASSEMBLY BILL 66 (1st Reprint): Provides for the establishment of psychiatric hospitals to provide crisis stabilization services. (BDR 39-486)

DOROTHY EDWARDS (Coordinator, Washoe Regional Behavioral Health Policy Board):
The Washoe Regional Behavioral Health Policy Board (WRBHPB) chose to focus on crisis stabilization services and facilities. I will read my testimony (Exhibit H) to give you a background and reasons we chose A.B. 66 to be our Legislative request.

CHARLES DUARTE (Chair, Washoe Regional Behavioral Health Policy Board):
The problem we are facing is our hospital emergency departments have become the choke point in the current model of crisis care. I will read my testimony (Exhibit I). It is easier for law enforcement or emergency medical staff (EMS) to take someone who is going through a crisis to an emergency room in order to get medically cleared, and wait there until a bed becomes available

Key components currently missing in Nevada are crisis stabilization facilities. These facilities offer short-term, subacute care for individuals who need support and observation, but not emergency department holds or medical in-patient stays. They are provided at lower costs and without the overhead of hospital-based acute care.

The model has a proven track record for saving health care dollars, but more important, it saves lives.

A 2016 study examined the results of 22,000 metro police and EMS transfers directly to crisis facilities located in Maricopa County in Arizona and identified the following savings and outcomes: (1) it reduced potential state in-patient psychiatric spending by as much as $260 million; (2) it saved hospital emergency departments an estimated $37 million in avoided costs; (3) 70 percent of the patients were discharged back to the community into four-patient programs after a 23-hour observation stay; (4) it showed a 6 times improvement in clinical fit for acute care; (5) saved the equivalent of 37 law enforcement officers full-time equivalent (2017 data). The program allowed for a 5-7 minute turnaround police drop-off; and (6) it reduced in-patient hospital psychiatric boarding in emergency rooms by an estimated 45 years.

The intent of the WRBHPB is to define crisis stabilization services and facilities in statute through A.B. 66. We also wanted legislation to support appropriate reimbursement for services by the Division of Health Care Financing and

Policy (DHCFP) and their contracted Medicaid Managed Care Organizations. This would be necessary to provide a sustainable revenue stream for services.

We believe A.B. 66 and the proposed amendment (Exhibit J) accomplish both of these goals. Section 1 defines an endorsement process for licensing a crisis stabilization facility as a psychiatric hospital. Any facility that applies would need to meet the criteria established in the bill and make sure they can be licensed as a hospital

The amendment eliminates language allowing Division of Public and Behavioral Health (DPBH) to contract for these services. The previous version of the bill allowed DPBH to establish these facilities on their own; however, we do not believe that is necessary. We believe by establishing the proper conditions for reimbursement and licensing that not-for-profit and for-profit organizations will come to the State to establish crisis stabilization facilities.

CHAIR RATTI:
The original version of the bill directed the DHHS to create these facilities and that created a significant fiscal note, because you are putting the State in charge of creating the facilities that meet this gap on crisis stabilization. As amended, if you are able to be licensed as a psychiatric hospital, there is an endorsement. Once you are given that endorsement, you can become a crisis stabilization facility. That endorsement opens up a billing code that would allow you to bill for those services. Is that correct?

MR. DUARTE:
Yes, that is my understanding.

CHAIR RATTI:
If this was implemented, we would wait to see if the market is going to see enough potential in the new billing category to meet this system.

MR. DUARTE:
That is correct.

SENATOR HARDY:
There is an elite hospital in southern Nevada that has emergency room care. It has 16 beds that are not being filled. Could they become this crisis stabilization facility or would they have to change their name to a psychiatric hospital? Could

they just become a crisis stabilization facility without being a psychiatric hospital?

MR. DUARTE:
I believe they have to receive an endorsement by the Bureau of Health Care Quality and Compliance as a psychiatric hospital to provide crisis stabilization services. It would not be out of the question for an elite hospital to do.

SENATOR HARDY:
They could apply to be a psychiatric hospital and then could use all 16 of their beds to be a crisis stabilization facility. Is that correct?

MR. DUARTE:
I believe that is correct. I am not an expert in facility licensing.

ERIC ROBBINS (Committee Counsel):
The facility would have to be licensed as a psychiatric hospital before they could apply for the endorsement.

SENATOR HARDY:
Is there a special form you need to fill out to be a psychiatric hospital as opposed to a hospital?

CHAIR RATTI:
Looks like we need to get back to you on that question.

SENATOR SPEARMAN:
Would this bill work in conjunction with the last bill we heard? A crisis can occur at any particular time. Sometimes a private citizen may see someone is having difficulty with reality. How would that work?

MR. DUARTE:
It would work with any other bill that deals with individuals in crisis. You do not want to deny law enforcement the opportunity to drop somebody off who is in crisis. Law enforcement does not want to make a clinical decision based on the behavior of this person that they are not trained to assess. They would be inclined to take everyone to these crisis stabilization facilities. You want to create the opportunity for law enforcement to successfully drop off anyone who is in a crisis.

CHAIR RATTI:
Is there anyone in support of A.B. 66?

DAN MUSGROVE (Valley Health System; UHS Behavioral Health Hospital; WestCare of Nevada):
Some of us have worked on this issue for a long time back to when we thought community triage centers were the answer. It turned out they were not. You have to have a front door that can handle these folks, make the assessment and determine the best place to put them. Is it in the back room, where they can get those couple of days of crisis stabilization? Is it that they just need to get back on their medication? Do they need follow-up appointments? We have been wrestling with this idea for years and want to thank the WRBHPB for coming up with a possible solution.

This bill creates a framework for a sustainable model. We need to provide a framework that allows this kind of facility to be sustainable and to attract the private or nonprofits who are willing to do this. In southern Nevada, I believe we will need five or six crisis stabilization facilities. The reason people go to a hospital is because they are conveniently located. A first responder needs to go somewhere quick, drop off the patient and get back to the next call. We do not want to have our first responders making the clinical decision; they need to take them to a crisis stabilization facility and have a professional make those decisions.

CHAIR RATTI:
The community triage centers had a financial model. The counties, local governments and hospitals would put in a share and then the State would match that share and that would be the start-up funding for those community triage centers. It worked at first and they diverted a lot of people out of emergency rooms and jails. Then it all fell apart.

We are making this a market-driven process and we are not putting any money in as we did with the community triage model. How do we get to sustainability with A.B. 66? Who do you visualize in southern Nevada who would step up and take advantage of this new endorsement? This is a critical missing gap for people with behavioral health challenges.

MR. MUSGROVE:
I have been linked with the funding formula since my days at Clark County in 2002. I was the one who came up with the funding formula to keep the hospitals and local government there. In the last two years, I have dealt with the WestCare issue in Reno. Subsequent legislative sessions have always put a general fund dollar amount in DPBH for crisis services. Those dollars are in this budget and can be applied for.

There is always going to be a portion of the population who is not covered by Medicaid. That is a problem. The Centers for Medicare and Medicaid Services (CMS) has never recognized community triage centers because they cannot handle the lockdown. The CMS has focused on chronic inebriates because it is not a lockdown facility. That model of triage is out of date.

We hope this bill creates something more sustainable through reimbursable federal dollars. I agree with you. There may have to be General Fund dollars for those folks who will never qualify for Medicaid. I think this is a good model. We have to build it first to see if they come.

MR. DUARTE:
We worked with other states that operate these crisis stabilization facilities, in particular a nonprofit called Recovery International. They said we needed to make sure there was an appropriate level of Medicaid funding for these stabilization bed days, as well as for the 23-hour observation days. We believe we can achieve that. The idea is not to create fiscal hurdles for this bill, but try to meet the needs of the organizations that are already providing these services in other states.

MICHAEL HILLERBY (Renown Health):
I agree with the comments made by Mr. Musgrove. We are in support of A.B. 66. Renown emergency departments and trauma centers are the perfect place to go for a heart attack, stroke, acute illness or severe trauma. They are not appropriate for patients in a mental health crisis in need of mental health services. The Renown daily emergency department census includes too many people on Legal 2000 holds waiting for mental health beds.

SANDRA STAMATES (Washoe Regional Behavioral Health Policy Board):
I also work for the National Alliance on Mental Illness (NAMI) Northern Nevada. I have submitted testimony (Exhibit K), but I want to talk to the Committee about

the phone call I received this morning. Two parents called me about their adult daughter. Two months ago, she was in the Renown emergency room on a Legal 2000 hold. After two days, she was released and put on medication. Since that time, due to her illness she has lost her insurance and the parents called me to find out what to do. I could not help, but think a crisis stabilization facility would be the place to take her, but they have not opened yet. I recommended they call the Crisis Call Center and hopefully they would have some options. If A.B. 66 was passed I would have an option to refer people to. It would help me help them.

MS. JACOB:
I am here on behalf of Dignity Health-St. Rose Dominican. In the Assembly I supported this bill because I am an advocate for Dignity. I go to the facilities throughout southern Nevada and talk to the people who are working in the hospital. I asked them what I could do as their advocate. The need for short-term crisis stabilization is the most frequent response. This is why we took part in the WRBHPB even though we are located in southern Nevada.

KEVIN DICK (Washoe County Health District):
I am here on behalf of the 460,000 residents of Washoe and the almost 5 million annual visitors. I am also here representing the Washoe County Health District. This piece of Legislation has been identified as the District's top priority. I will read testimony (Exhibit L) outlining the importance of A.B. 66.

We have heard the problem where people in a behavioral health crisis are taken to an emergency room, yet they do not receive the care they need. I will read some medical statistics in Washoe County, Exhibit L. I think you can understand from these figures the magnitude of this situation.

This bill creates the market conditions that will allow facilities to be established to provide the care these people need in a way that they can be sustainable through the reimbursement that will occur through insurance programs.

RICK PORZIG (President, National Alliance on Mental Illness, Nevada):
I am here to speak in favor of A.B. 66. The NAMI is the Nation's largest grassroots volunteer organization that supports, educates and advocates for individuals living with mental illness and their families. This bill is consistent with the strategic objectives of NAMI, which is to assist the mentally ill from

becoming incarcerated. This bill would go a long way to avoid that. In addition, it will provide access to quality mental health care.

JOAN HALL (Nevada Rural Hospital Partners):
We are in support of A.B. 66. We have seen similar systems of care in other states. We believe this is an important component in Nevada's system of behavioral health. It will provide prompt access to quality care for these people in great need and decrease time spent by law enforcement and EMS on transports and nonemergency type services.

MACKENZIE BAYSINGER (Human Services Network):
I want to agree with the previous testimony.

MICHAEL HACKETT (Nevada Primary Care Association; Nevada Public Health Association):
Both organizations are in support of A.B. 66 with the amendment. Members of these associations were part of the WRBHPB and were part of this legislation.

CECELIA LAMPLEY:
I am a marriage and family therapist. I also worked with children with behavioral problems. I did assessments of kids who had attempted suicide. This program sounds like it would be a good program. The thing I think has been missing were the follow-up services. I think aftercare is important. I am in support of A.B. 66.

CHAIR RATTI:
I see DHHS is here to testify neutral and would like them to explain the fiscal note.

CODY PHINNEY (Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services):
I want to give a little history about how we arrived at the fiscal note. The estimated cost was if DHCFP was to cover all the crisis services needed from January 1, 2020. The cost would be $54 million total computable which includes the federal funding. The State General Fund cost would be $14 million.

That estimate does take into account the services that we already pay for in other areas such as emergency rooms. The fiscal note uses the calculator that Crisis Now developed and took into consideration the Arizona rates to estimate

these costs. Using those calculations, the DHCFP estimates that for the $14 million in State General Funds spent, we would not spend and would save $22 million.

I want to be very clear those estimates are based on flipping the switch and having these services available on January 1, 2020. It is unlikely this service would be available on that date. If facilities of this type open their doors and provide services in this model, there would be a gradual shift in our spending from other areas in Medicaid, over to this area in Medicaid. Essentially, there would not be a huge impact to our budget.

Sometimes DHCFP talks about the return on investment. This applies to chronic disease where there can be a number of years before we see people are getting healthier. With A.B. 66 there will be a shift in service from one area to another and there will not be that wait time.

SENATOR HARDY:
I need a little more clarity.

CHAIR RATTI:
As I understand it, this bill did not go to the Assembly Committee on Ways and Means or Senate Committee on Finance because the cost is offset by the projected savings.

MS. FINNEY:
You will see those figures under A.B. 66 and the fiscal note tab. It is titled the DHCFP fiscal note.

SENATOR SPEARMAN:
It appears that we do not have the money up front. However, this is something that needs to be done. Is there a way to form a public-private partnership?

MS. FINNEY:
I have not had that discussion with the DHHS Director's Office. I could explore that and get back to you.

SENATOR SPEARMAN:
I think there are a lot of national organizations that are interested in doing the type of work that we are talking about. They would be interested in something

like this. I am referring to S.B. No. 400 of the 79th Session and it involved success contracts.

CHAIR RATTI:
This Committee still has some questions about the fiscal note. We need to have clarity and transparency. I believe DHCFP estimated the cost to serve every person in Nevada who has a behavioral health crisis would also need crisis intervention.

As I understand it, if A.B. 66 was passed, there would be a regulatory process, then Medicaid would get set up for billing, and people would apply for their licenses. As A.B. 66 gets implemented there will be a shift in costs from the more expensive cost of the emergency room or jails to the less expensive cost of a crisis stabilization facility. This is the philosophical policy decision, but we need clarity how that analysis will work.

I am going to close the hearing on A.B. 66 and open the hearing on A.B. 122.

ASSEMBLY BILL 122 (1st Reprint): Requires the Department of Health and Human Services to study the feasibility of establishing certain assisted living facilities in rural areas of this State. (BDR S-100)

ASSEMBLYWOMAN BENITEZ-THOMPSON:
I am here on behalf of the Committee to Study the Needs Related to the Behavioral and Cognitive Care of Older Persons. I was Vice Chair of the Committee which met during the 2017-2018 Interim.

I want to give you some background on the Committee. Senate Bill No. 121 of the 79th Session created the Committee and wanted them to review issues regarding the behavioral and cognitive needs of older persons in Nevada. The Committee was comprised of three members of the Senate and three members of the Assembly. Senator Woodhouse served as the Chair of the Committee. The Committee was required to examine, research and identify potential sources of State funding to assist in supporting caregivers who were caring for older persons with behavioral and cognitive health issues. The Committee would also look at the potential to establish a higher rate of reimbursement by Medicaid for nursing facilities, as well as provisions for education and training for healthcare professionals.

Assembly Bill 122 seeks to increase options for community, based services such as adult daycare, assisted living and respite care in rural parts of Nevada. This bill originally required the DHHS to apply for a Medicaid waiver. Section 3.5 is a feasibility study instead of a waiver.

Section 3.5 authorizes the DHHS to do the feasibility study and look at three different licensure types: assisted living facilities, respite care and adult day care. These are now single licensing types and we are giving rural counties permission to house all three licensing types under one roof. We will see how it will work and get a written report back to the Legislative Counsel Bureau to be sent to the Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs.

SENATOR SPEARMAN:
Are you looking at using the information collected by the Veterans Association of Nevada in regard to older adults accessing those services?

ASSEMBLYWOMAN BENITEZ-THOMPSON:
This feasibility study is directed to economic and fiscal viability.

SENATOR SPEARMAN:
There may be some things the Veterans Association has already done that can help with this feasibility study.

ASSEMBLYWOMAN BENITEZ-THOMPSON:
We will look into that.

CHAIR RATTI:
Is anyone here to testify in support?

MS. HALL:
Eureka and Hawthorne have a great interest in this. Hawthorne has a lot of veterans. We are looking at ways to keep local seniors in their communities and get legally reimbursed for it. We are in support of A.B. 122.

CHAIR RATTI:
Is there anyone here to testify in neutral?

DENA SCHMIDT (Administrator, Aging and Disability Services Division, Department of Health and Human Services):
Our rural communities have many challenges when it comes to long-term-support services. We look forward to the opportunity to do this. I envision the DHHS three divisions getting together to collectively get a better understanding how compliance rules and funding sources can work together. We will also look at appropriate settings and how we can create a setting that provides all three of these services, and what is the mix of payer sources to make it viable. We want to make sure it is a sustainable model.

CHAIR RATTI:
I am pleased to see this issue coming about with a feasibility study. This could make a difference for families trying to keep loved ones closer to home and get the services they need.

CHAIR RATTI:
I will entertain a motion on A.B. 122.

SENATOR HARDY MOVED TO DO PASS A.B. 122.

SENATOR HAMMOND SECONDED THE MOTION.

THE MOTION CARRIED.

* * * * *

I will close the hearing on A.B. 122 and open the work session on A.B. 353.

ASSEMBLY BILL 353 (1st Reprint): Revises provisions governing the disposition of certain types of materials and waste produced by certain governmental entities. (BDR 40-623)

MEGAN COMLOSSY (Committee Policy Analyst):
I will read the summary of the bill and the conceptual amendment from the work session document (Exhibit M).

SENATOR HARDY MOVED TO AMEND AND DO PASS AS AMENDED A.B. 353.

SENATOR SPEARMAN SECONDED THE MOTION.

THE MOTION CARRIED.

* * * * *

CHAIR RATTI:
I will close the work session and open it up for public comment.

I would like to add my own public comment. It has been a particularly challenging week here at the Legislature and it will probably continue for the remainder of the Session. It makes me reflect on what I am grateful for. One of the things I am grateful for is this Committee. It may be because we have had the luxury of having the same members for the past two Sessions. Maybe it is because we have the best staff. I am grateful for how we work together as a Committee whether we agree or disagree. I think this Committee does a nice job of making sure folks have the information that they need, we have good debates, people have their say and we move the business forward. We could not do that if we did not do that all together. I appreciate all of you.

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CHAIR RATTI:
Seeing no further business, we are adjourned at 6:09 p.m.

RESPECTFULLY SUBMITTED:

Michelle Hamilton,
Committee Secretary

APPROVED BY:

Senator Julia Ratti, Chair

DATE:

EXHIBIT SUMMARY				
Bill	**Exhibit / # of pages**		**Witness / Entity**	**Description**
	A	2		Agenda
	B	8		Attendance Roster
A.B. 469	C	20	Assemblyman Jason Frierson	Proposed Amendment
A.B. 469	D	1	Hanna Olivas / Culinary Union	Testimony
A.B. 469	E	1	Shaun Best	Testimony
A.B. 469	F	3	Joanna Jacob / Physicians for Fair Coverage	Testimony
A.B. 129	G	1	Kaylyn Kardavani / Nevada Justice Association	Proposed Amendment
A.B. 66	H	2	Dorothy Edwards / Washoe Regional Behavioral Health Policy Board	Testimony
A.B. 66	I	1	Charles Duarte / Washoe Regional Behavioral Health Policy Board	Testimony
A.B. 66	J	11	Senator Julie Ratti	Proposed Amendment
A.B. 66	K	1	Sandra Stamates / Washoe Regional Behavioral Health Policy Board	Testimony
A.B. 66	L	2	Kevin Dick / Washoe County Health District	Testimony
A.B. 353	M	9	Megan Comlossy	Work Session Document