

**MINUTES OF THE
SENATE COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS**

**Eightieth Session
June 2, 2019**

The Senate Committee on Legislative Operations and Elections was called to order by Chair James Ohrenschall at 2:47 p.m. on Sunday, June 2, 2019, in Room 2144 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator James Ohrenschall, Chair
Senator Yvanna D. Cancela, Vice Chair
Senator Marcia Washington
Senator Heidi Seevers Gansert
Senator Keith F. Pickard

STAFF MEMBERS PRESENT:

Michael Stewart, Committee Policy Analyst
Kevin Powers, Committee Counsel
Janae Johnson, Committee Secretary

OTHERS PRESENT:

Christine Saunders, Progressive Leadership Alliance of Nevada
Annette Magnus, Battle Born Progress
Elisa Cafferata, Planned Parenthood Votes Nevada
Marlene Lockard, Service Employees International Union Local 1107; Nevada Women's Lobby
Tom Clark, Nevada Association of Health Plans
Tray Abney, America's Health Insurance Plans
Catherine O'Mara, Nevada State Medical Association
Lindsay Knox, Nevada Orthopaedic Society
Bill Welch, Nevada Hospital Association
Wayne Thorley, Deputy Secretary for Elections, Office of the Secretary of State

CHAIR OHRENSCHALL:

I will open the hearing on Senate Concurrent Resolution (S.C.R.) 10.

SENATE CONCURRENT RESOLUTION 10: Directs the Legislative Commission to study the feasibility, viability and design of a public healthcare insurance plan that may be offered to all residents of this State. (BDR R-1284)

SENATOR YVANNA D. CANCELA (Senatorial District No. 10):

I am here to present S.C.R. 10. Despite recent efforts to extend health care coverage for Nevadans, today 1 out of 10 residents are uninsured, which is 11 percent of residents in the State. Senate Majority Leader Senator Nicole J. Cannizzaro has identified this as one of the key issues in Nevada that needs to be dealt with. Nevada has the eighth highest rate of uninsured people in the Nation, with rates ranging from 3 percent in Massachusetts to 17 percent in Texas. As we expanded Medicaid and began offering private health insurance on the Silver State Health Insurance Exchange under the Affordable Care Act, the uninsured rate has improved—but we have experienced instability in the health insurance market. This is driven largely by the constant flux of changes at the federal level, and even some major health insurances have threatened to leave the exchange. Today, Nevadans are purchasing insurance on the exchange in Clark, Nye and Washoe Counties; they can choose from a variety of health insurance plans and providers. But individuals in the other 14 counties of Nevada are limited to a few health plans offered by a single health insurance company. Certainly, having one company is better than having no company, but that also means those Nevadans are not offered the same amount of choices as Nevadans in other counties.

As the governing Body of this State, we have an inherent interest in protecting the health, safety and welfare of all Nevadans. It is incumbent upon us to review and consider all options to ensure residents have access to high quality health care. The resolution aims to address this. It asks the Legislative Commission to study the feasibility, viability and design of a public health insurance plan for all Nevadans. The goals of the plan are to improve stability of the Nevada health insurance market, reduce a number of Nevadans who do not have insurance coverage and improve access to affordable health insurance services.

Senate Concurrent Resolution 10 authorizes the Legislative Commission to enter into a contract with one or more consultants to conduct actuarial or other analyses to determine the feasibility of offering a public health insurance option which would allow any resident to participate in the Public Employees' Benefits Program (PEBP), as well as the effect of such an option for individual and small

group health insurance markets in the State; the premiums charged by health insurers and the premiums that would need to be charged to those participating in the public health insurance plan for PEBP; the necessary plan modifications to PEBP if it is offered as a public option; any eligibility requirements to impose as a condition for participating in the public option; the impact of offering a public health insurance plan on the State budget; the stability of the health insurance market, including the Silver State Health Insurance Exchange and rate of uninsured individuals in the State; the feasibility of establishing a pilot program to offer a public health insurance plan; the feasibility of offering a Statewide public health insurance plan through a public-private partnership; and any legal consideration in statutory or regulatory changes that may be necessary to implement a public option.

The resolution also provides that the chair of the Legislative Commission can provide direction to the consultant about the study. It requires any consultant with whom the Commission contracts to consult with and solicit the appropriate State agencies on topics related to health care and health insurance. Once the work is done, the report must be submitted to the Legislative Commission, and the Commission must submit a report to the Eighty-first Session of the Nevada Legislature.

Finally, S.C.R. 10 authorizes the Legislative Commission to apply for and accept any grants, gifts, donations, requests or other sources of money to carry out this study.

SENATOR PICKARD:

We need to address what insurances are out there. I am not sure we should be competing with the public market. We generally try to avoid that under the circumstances and understand the motivation for doing so. In putting this under PEBP, does the benefits program have capacity to handle an influx of people signing up for this insurance? Have we had any kind of thought of what kind of numbers we are looking at? How would we estimate those who would take advantage of this option? What would this do to PEBP?

SENATOR CANCELA:

We do not have those answers today. The resolution outlines on page 2, line 15 the prescriptions on how the study would examine the impact and overall capacity of PEBP to be the vessel for this option.

SENATOR PICKARD:

The only option is PEBP participation. The study is to determine how to essentially best put it into PEBP as opposed to looking at other market-based alternatives. We are setting this up for PEBP and are not looking at the broader perspective on other options out there. Maybe we should look at PEBP as one of many options.

SENATOR CANCELA:

There are a couple of reasons that decision was made. First is the intention to pursue a public option for Nevadans. The way the market is structured today, PEBP is the best vessel for that because it operates as an independent plan that manages cost and is built to allow for increased membership. Some other states have talked about allowing a Medicaid option and looking at different options. For Nevada, PEBP is the most appropriate vessel should the State decide to move forward in this proposal. Second, the cost differences between public programs and private programs is significant. I think a large scope of too many options would not receive real data for a study like this. With this study, it allows us to come out with a real answer whether this is the appropriate vessel for a public option for Nevadans.

SENATOR PICKARD:

I appreciate the intent of the study is to provide a State-based solution to the exclusion of other possible options. Medicaid would cost the State about \$550 million and there was no way to pay for that option. This is essentially a way to do the same thing through PEBP. I am concerned we are not looking at the whole picture and trying to figure out a study that I am not sure the State can afford.

CHAIR OHRENSCHALL:

I would like to point the Committee to the language on page 2, lines 32 through 33 that state the study will determine the feasibility of offering a Statewide public health insurance plan through a public-private partnership.

SENATOR SEEVERS GANSERT:

We are looking to PEBP to see how we could potentially expand it. Some of the states with the high insurance rates for those insured, like Massachusetts, how do they do that?

SENATOR CANCELA:

I do not have good answer for this question, but I would be happy to get a follow up with you later today.

SENATOR SEEVERS GANSERT:

When looking at Medicaid for insurance, those are leveraged dollars, and we need to make sure to have a significant federal participation rate. It should provide access to insurance for PEBP but then have folks pay without a subsidy.

SENATOR CANCELA:

On page 2, lines 18 through 20, S.C.R. 10 states any reasonable and allowable requirements to impose on eligibility to participate in a public option health insurance plan within PEBP. Within this language there is the possibility of discussing the subsidy question.

SENATOR SEEVERS GANSERT:

When looking at a Medicaid plan, you have a subsidy; in this case, it would be the State. This study does not talk about how people can access care now. If there is something we can do in that area, such as the Federal Qualified Health Centers (FQHC) that provide access to care, the concern is people buy insurance and it is still expensive to get care. What we are not studying here is access, not the just the insurance. How many clinics do we have? What about investing in clinics or in leveraging federal dollars for FQHCs? I do not know if this is contemplated, since the study is looking at PEBP.

SENATOR CANCELA:

I do not disagree with you, Senator Gansert. One of the challenges that we have in the private market is the number of plans that allow folks to be insured but not necessarily in a way that is affordable. A 60/40 plan is a catastrophic defense, it is not a full insurance in that it may not help people get care on a regular basis. Public Employees' Benefits Program is an interesting option, for it is already in the business of doing the work of managing a plan offering incentives for participants to access care. Looking at PEBP does not force us in a position to reinvent the wheel. We can have a broader discussion about the State leveraging federal dollars for more FQHCs. The members in PEBP have access to care. This is an attractive vessel for Nevada, and we do not have to come up with another plan.

SENATOR SEEVERS GANSERT:

I am not sure if there is a way to amend this study to make sure we are actually looking at ways people access care. How do people access care whether they have insurance or not? In the end, the need is for people to have preventive care and emergent care or ongoing care. These are critical pieces versus insurance that may be expensive or getting dollars to the patients.

SENATOR CANCELA:

I think the reason I am comfortable not having this in the study is we have approved the Governor's Patient Protection Commission this Session where some of those much broader discussions would be able to take place. My hope is that we keep this study narrow so that we have good information on how to proceed.

SENATOR PICKARD:

What does PEBP on average pay for services? I suspect it is higher than Medicaid reimbursement rates. Is that true?

SENATOR CANCELA:

I do not have that number available, but I will follow up with you later today.

SENATOR PICKARD:

I think this is important. We do not want to expand the idea that people are only paying 55 cents on the dollar for delivered services. If we continue to do that, we are going to bankrupt our hospitals.

CHRISTINE SAUNDERS (Progressive Leadership Alliance of Nevada):

We believe everyone should have access to quality affordable health care. We support S.C.R. 10.

ANNETTE MAGNUS (Battle Born Progress):

We have worked to make health care more accessible to all Nevadans. This study is critical, and if we plan to be leaders on this issue in Nevada, we must know how to do this in the most effective way. We must be able to look at options to solve the health care and insurance crisis in this Country. As you have heard in the introduction, we still have a large number of Nevadans who do not have access or are not insured. We need a healthy Nevada. This study would guide us in this direction. We support S.C.R. 10.

ELISA CAFFERATA (Planned Parenthood Votes Nevada):

We would echo the need for this bill. Nevada has come a long way under the Affordable Care Act of providing insurance coverage for folks. But we still have a significant number of Nevadans who do not have access. We know that having coverage is a significant benefit in access to health care. I was thinking about the Patient Protection Commission and how it will interact. That particular Commission under the Governor's direction can coordinate with all State agencies and all the Interim studies. There will be communication even if you do not see it in the study but in the Patient Protection Commission statute. There will be robust information and conversation going on in the State. We support S.C.R. 10.

MARLENE LOCKARD (Service Employees International Union Local 1107; Nevada Women's Lobby):

We think there is a real benefit for the State in conducting a study to provide information to all entities and reviewing the possibilities to provide additional access to care to Nevada's uninsured. We support S.C.R. 10.

TOM CLARK (Nevada Association of Health Plans):

We are neutral to S.C.R. 10. We look forward to the upcoming discussions on this study.

TRAY ABNEY (America's Health Insurance Plans):

We are neutral to S.C.R. 10. We look forward to the conversation and to assist in whatever way possible. We know that only 11 percent of residents are uninsured, and studies show that most people are satisfied with employer-provided healthcare plans.

CATHERINE O'MARA (Nevada State Medical Association):

We are neutral to S.C.R. 10. I appreciate the approach on this study that will focus on the problem. Physicians are grappling with, not only in Nevada but nationally, how we should approach public options—if we should be approaching public options. What is the best way for patients in Nevada? We appreciate this approach. I think having a study focus on costs of high premiums is great.

LINDSAY KNOX (Nevada Orthopaedic Society):

Access to health care is my clients' top priority. We look forward to participating in the study as well as the Governor's Patient Protection

Commission (PPC). We hope the findings from the study and PPC will assist in helping Nevadans find quality health care. We are neutral to S.C.R. 10.

BILL WELCH (Nevada Hospital Association):

We are supportive of this study's concept. We are neutral to S.C.R. 10. It might be valuable to talk about and include in this study healthcare professionals since there is a severe shortage in Nevada and how this impacts access to care. We support section 8 to the extent the private sector can be available to the consultants both in the provider community and the care community. We appreciate this study is done with the Governor's PPC because its charge would be looking at similar things for the overall goal.

CHAIR OHRENSCHALL:

I will open the hearing on Senate Bill (S.B.) 557.

SENATE BILL 557: Revises provisions relating to campaign practices. (BDR 24-1272)

SENATOR YVANNA D. CANCELA (Senatorial District No. 10):

I have the honor of presenting S.B. 557 on behalf of Senate Majority Leader Senator Nicole J. Cannizzaro. This bill is important and deals with Nevada's campaign finance laws. The Legislature passed A.B. No. 45 of the 79th Session, which did a lot to create transparency in regard to campaign finance reporting. That bill required more regular reporting schedules and inclusion of ending fund balances on the campaign finance report; the bill went into effect in January. We will see those benefits in years to come, and this is an important step forward.

Majority Leader Cannizzaro wants to keep moving in the direction of more transparency and to fortify campaign finance structure to be user-friendly. In summary, S.B. 557 does three things. First, it tightens up the definition of "personal use" for campaign contributions. Second, it creates a reporting requirement for organizations that contribute \$10,000 or more or an aggregate to a candidate in the course of a year. Third, it prohibits candidates from paying themselves a salary with campaign funds.

Section 2 defines organizations that would be subject to the contribution reporting requirements as any form of business, social organization or nongovernmental entity, corporation, partnership, association, trust,

unincorporated organization, labor union, committee for political action, political party and committee sponsored by a political party. The idea was to focus on entities that primarily fall into these categories in looking at different campaign reports. It was clear these groups fall into the category of \$10,000 contribution or \$10,000 aggregate, and these contributions are best equipped to maneuver the campaign reporting structure.

Section 3 adopts the Federal Election Commission (FEC) definition of personal use. The FEC defines personal use as any use of contributions to fulfill a commitment, obligation or expense of a candidate or a public officer that would exist irrespective of their campaign or duties of public office. The intent of the bill is to formally adopt the FEC's definition of personal use and use existing FEC opinions on personal use as a guideline for the Secretary of State going forward. The FEC has made a number of determinations over the years and the intent of the bill is the rulings will be used. We did not enshrine the individual rulings into the bill because we did not want to tie the Secretary of State's hands in making determinations on situations that may fall outside of the cases on which the FEC has ruled.

Section 6 clarifies in Nevada statute candidates or public officers cannot use campaign funds to pay themselves a salary. There was an FEC opinion that determined candidates for federal office may use campaign funds to pay themselves a salary. We wanted to make sure in statute this is one of the FEC rulings we will not be adopting as a reference point for the Secretary of State.

Section 4 requires organizations, as defined in section 2, contributing an aggregate of \$10,000 or more in a calendar year to file an annual report with the Secretary of State's Office by January 15 of the following year. The reports will be used by the Secretary of State's Aurora Campaign Finance Disclosure system. It will list all contributions made to candidates over \$100 and the total amount of contributions of \$100 or less if any. Organizations are typically the largest and most frequent donors in the State, and annual reporting requirements enhance transparency in the campaign finance statutes. The provision acts as a balance sheet by creating an additional record to verify the accuracy of candidate filings.

SENATOR PICKARD:

This is similar to one that we put out before, and I am glad to see this bill come back. The difference is the organization reporting is set at \$10,000. For

example, if we look at the contributions and expenses report from the last election cycle, a dollar less than the maximum would eliminate the reporting. We have to report anything over \$100 received by an individual. If someone maxes out at \$10,000, it has to be reported; if one pays \$9,999, this does not have to be reported. We know that a dollar is not going to make a difference in terms of the impact it will have on the campaign. If this truly is about transparency, why is it set at \$10,000? An organization would have to effectively max out before it even shows up on the radar.

SENATOR CANCELA:

An organization does not have to give \$10,000 to an individual to hit the reporting requirement. As long as the organization has given out at least \$10,000 in contributions, then any contribution after \$100 or more has to be reported. The intention is to create a match on a candidate's campaign disclosure report. If there is a \$100 contribution from a corporation, then you can also pull up that corporation's donations to see it has made the \$100 contribution. The \$10,000 marker would allow us to capture most of the major contributors that fall under the definition of an organization.

SENATOR PICKARD:

As candidates, we have to report anything over \$100 by a recipient. If a recipient receives \$5,000, this would be reported. If the aggregate does not pay \$10,000, it does not show up?

SENATOR CANCELA:

You are not mistaken, Senator Pickard. If the organization were only to donate \$9,999 over the entire span of the election cycle to only one candidate, the reporting requirement would not apply to the organization, but as long as an organization donates \$10,000 regardless of how many candidates that is spread out across, the reporting requirements would get triggered.

SENATOR PICKARD:

Many organizations have multiple subentities underneath them. Are we aggregating this at the corporation top level, or is this \$10,000 per subgroup or suborganization?

SENATOR CANCELA:

In reading the bill, I do not believe it would change the way the Secretary of State identifies different entities.

SENATOR SEEVERS GANSERT:

I appreciate you bringing this bill because we all are looking for greater transparency. I thought the \$10,000 mark was high. The other bill that was brought was more on per occasion basis if an organization donated \$1,000 or more. I am concerned we are not going to be able to match as many transactions. But only large organizations' transactions or contributions will be captured by this. The timing of the reports is annually, whereas the Legislators' reports are quarterly. It will be difficult to timely match contributions to reports because they are out of sync. Have you considered moving them to quarterly reports versus annual?

SENATOR CANCELA:

First, we looked at the federal law requirements and tried our best to draw from FEC guidelines and regulations to determine something that was both fair and not overly onerous on donors. We also honored the responsibility that candidates have to issue their reports in an honest manner. One of things that became clear is under the FEC, individuals are not required to report contributions. We tried to look at the data and where major contributions were coming in from the State. While certainly there are a number of individual contributors, the bulk of contributions came from entities that would have to meet the reporting requirements because they donate in excess of \$10,000 over the course of a cycle. This captured a significant group and helped to mandate transparency on some of the political action committees that today escape the reporting requirements. In looking at the data, a determination was made on the dollar figure to be set. For annual reporting, the intention was to set a reporting requirement that was not so onerous that it would create challenges in compliance but also allowed for an examination of the data from the previous year. The annual reporting seemed to strike that appropriate balance.

SENATOR SEEVERS GANSERT:

With that high of threshold before it is reported, did you consider allowing the Secretary of State to do an audit? There will be a lot of money that is not reported with the threshold.

SENATOR CANCELA:

I am not sure that the Secretary of State does not have audit authority today to look at campaign records.

WAYNE THORLEY (Deputy Secretary for Elections, Office of the Secretary of State):

Senator Gansert, when you say audit, do you mean forced compliance audit where the entity we are investigating would be lawfully required to cooperate in the audit or taking questions on a voluntary basis?

SENATOR SEEVERS GANSERT:

I mean compelling folks to provide information to the Secretary of State for a check on the system where you go in and match up the figures.

MR. THORLEY:

Under current law within certain time periods either before or after an election, the Secretary of State does have subpoena authority to subpoena records from candidates or political action committees that have to file reports with the Secretary of State's Office. We do have that authority right now, but it is only within certain periods around election time. We do not have that subpoena authority at all times.

CHAIR OHRENSCHALL:

Where is that in the *Nevada Revised Statutes* (NRS)?

MR. THORLEY:

It is NRS 294A.410 subsection 5.

CHAIR OHRENSCHALL:

I will open the work session.

MICHAEL STEWART (Policy Analyst):

Assembly Bill (A.B.) 452 was heard on May 29 as referenced from the work session document ([Exhibit C](#)).

ASSEMBLY BILL 452 (1st Reprint): Revises provisions governing ethical standards for certain public officers, candidates and lobbyists. (BDR 17-1103)

SENATOR SEEVERS GANSERT MOVED TO DO PASS A.B. 452.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. STEWART:

Assembly Concurrent Resolution (A.C.R.) 4 was heard on May 13 as referenced from the work session document ([Exhibit D](#)). There was one conceptual amendment.

ASSEMBLY CONCURRENT RESOLUTION 4: Directs the Legislative Commission to conduct an interim study concerning wildfires. (BDR R-509)

SENATOR SEEVERS GANSERT MOVED TO AMEND AND ADOPT AS AMENDED A.C.R. 4.

SENATOR CANCELA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. STEWART:

Assembly Concurrent Resolution 6 was heard on May 13 as referenced from the work session document ([Exhibit E](#)).

ASSEMBLY CONCURRENT RESOLUTION 6: Directs the Legislative Commission to create an interim committee to study the working conditions at licensed brothels. (BDR R-696)

SENATOR CANCELA MOVED TO ADOPT A.C.R. 6.

SENATOR WASHINGTON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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MR. STEWART:

Assembly Concurrent Resolution 7 was heard on May 8 as referenced from the work session document ([Exhibit F](#)).

ASSEMBLY CONCURRENT RESOLUTION 7: Directs the Legislative Commission to appoint a committee to conduct an interim study of issues relating to driving under the influence of marijuana. (BDR R-758)

CHAIR OHRENSCHALL:

I have a conflict with this bill because of my wife's employment. I will be abstaining for the vote.

SENATOR CANCELA MOVED WITHOUT RECOMMENDATION ON A.C.R. 7.

SENATOR WASHINGTON SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR OHRENSCHALL ABSTAINED FOR THE VOTE.)

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CHAIR OHRENSCHALL:

I would like to move S.B. 557 to the Floor.

SENATOR WASHINGTON MOVED TO DO PASS S.B. 557.

SENATOR CANCELA SECONDED THE MOTION.

SENATOR SEEVERS GANSERT:

I will support this legislation. I think we need increased transparency and accountability around campaign finance.

SENATOR PICKARD:

We have been discussing this all Session. It will be easy to circumvent the intention of this bill. We can create entities in about 15 minutes on the Secretary of State website. It would be easy to give \$9,999 contributions that would go completely unreported. I would like to have an amendment to reduce this cost to \$1,000 contributions by organizations so that we could actually see

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what is going on. I will support this out of the Committee. I would like to meet later today about lowering the threshold so it is meaningful.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR OHRENSCHALL:
I will adjourn this meeting at 3:49 p.m.

RESPECTFULLY SUBMITTED:

Janae Johnson,
Committee Secretary

APPROVED BY:

Senator James Ohrenschall, Chair

DATE: _____

| EXHIBIT SUMMARY | | | | |
|-----------------|-------------------------|---|------------------|-----------------------|
| Bill | Exhibit / # of pages | | Witness / Entity | Description |
| | A | 1 | | Agenda |
| | B | 2 | | Attendance Roster |
| A.B. 452 | C | 1 | Michael Stewart | Work Session Document |
| A.C.R. 4 | D | 2 | Michael Stewart | Work Session Document |
| A.C.R. 6 | E | 1 | Michael Stewart | Work Session Document |
| A.C.R. 7 | F | 1 | Michael Stewart | Work Session Document |