

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Eighty-First Session  
May 27, 2021**

The Committee on Ways and Means was called to order by Chair Maggie Carlton at 9:07 a.m. on Thursday, May 27, 2021, Online and in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/81st2021](http://www.leg.state.nv.us/App/NELIS/REL/81st2021).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Maggie Carlton, Chair  
Assemblywoman Daniele Monroe-Moreno, Vice Chair  
Assemblywoman Teresa Benitez-Thompson  
Assemblyman Jason Frierson  
Assemblywoman Michelle Gorelow  
Assemblyman Gregory T. Hafen II  
Assemblywoman Sandra Jauregui  
Assemblyman Glen Leavitt  
Assemblywoman Brittney Miller  
Assemblywoman Sarah Peters  
Assemblyman Tom Roberts  
Assemblywoman Robin L. Titus  
Assemblywoman Jill Tolles  
Assemblyman Howard Watts

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Senator Julia Ratti, Senate District No. 13  
Senator Roberta Lange, Senate District No. 7



**STAFF MEMBERS PRESENT:**

Sarah Coffman, Assembly Fiscal Analyst  
Brody Leiser, Principal Deputy Fiscal Analyst  
Mary O'Hair, Committee Manager  
Anna Freeman, Committee Secretary  
Bet Torres, Committee Assistant

**OTHERS PRESENT:**

Mark Wlaschin, Deputy for Elections, Office of the Secretary of State  
Maria-Teresa Liebermann-Parraga, Deputy Director, Battle Born Progress  
Emily Persaud-Zamora, Executive Director, Silver State Voices  
Julie Balderson, Public Information Officer, Division of Welfare and Supportive Services, Department of Health and Human Services  
Kent Ervin, Legislative Liaison, Nevada Faculty Alliance  
Doug Unger, UNLV Chapter President and Southern Nevada Government Affairs, Nevada Faculty Alliance  
Sara Cholhagian, Executive Director, Patient Protection Commission  
Ellen Crecelius, Actuarial Economist, Division of Health Care Financing and Policy, Department of Health and Human Services  
Sandie Ruybalid, Chief IT Manager, Division of Health Care Financing and Policy, Department of Health and Human Services  
DuAne Young, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services  
Barry Gold, Director of Government Relations, AARP Nevada  
Robin Reedy, Executive Director, NAMI Nevada, National Alliance on Mental Illness  
Joan Hall, President and Chief Executive Officer, Nevada Rural Hospital Partners  
Valerie Padovani, representing the Nevada Psychiatric Association  
Jaron Hildebrand, Executive Director, Nevada State Medical Association  
Laura Rich, Executive Officer, Public Employees' Benefits Program  
Dora Martinez, Private Citizen, Reno, Nevada  
Deborah Vonarx, Private Citizen, Reno, Nevada

**Chair Carlton:**

[Roll was called. Committee rules and protocol were explained.] There are many bills posted; that is typical for this time of year. Whatever we do not get to today will roll over to tomorrow. The first thing on the agenda today is to finish a couple of Assembly bills because they need to go to the Senate. We have the CIP [Capital Improvement Program] and Pay Bill. We will do the work session first so we can get things processed. We received the fiscal notes last night for Assembly Bill 432 (1st Reprint); that hearing will be first this morning.

**Assembly Bill 432 (1st Reprint): Revises provisions relating to elections. (BDR 24-1039)**

**Assemblyman Howard Watts, Assembly District No. 15:**

I represent District 15 in Clark County. I am happy to present Assembly Bill 432 (1st Reprint) to you today which expands our automatic voter registration system in the state. There are two aspects to the bill. The first is expanding the agencies that can become automatic voter registration entities. Currently we have the DMV [Department of Motor Vehicles]. This will extend it to the Silver State Health Insurance Exchange as well as our Medicaid system. It also makes various changes to the automatic voter registration system at the DMV to further streamline the process, which could generate cost savings.

In regard to the fiscal notes on the bill, the DMV projects seeing some cost savings if this is implemented. The bill was amended to push out the implementation date to January 1, 2024. As a result, there are two new unsolicited fiscal notes indicating that there will not be a cost during this biennium for implementation. That change was also made to help align this policy with the implementation of the top-down voter registration system, which I believe this Committee heard yesterday. Mr. Wlaschin will speak to the fiscal note for the Office of the Secretary of State.

**Mark Wlaschin, Deputy for Elections, Office of the Secretary of State:**

This fiscal note identifies the cost of personnel required to develop and implement the system, similar to the implementation of the DMV automatic voter registration project. Similar to the other fiscal notes submitted by the Office of the Secretary of State, it reflects not a worst case or best case scenario but the most realistic scenario, given the information we had at the time of drafting. While a recent amendment changed the date that the bill will be effective, it does not change the total fiscal impact to the state but may shift some small portion from this biennium to the next.

**Chair Carlton:**

Could you walk us through the fiscal note?

**Mark Wlaschin:**

The fiscal note identifies the requirement of personnel. The bill identifies the requirement of the Office of the Secretary of State to create a similar portal to the one that was established at the DMV. It will need to be a different portal. As Assemblyman Watts mentioned, the idea is to integrate this system with the top-down voter registration system, of which implementation is underway.

This bill specifically calls for two permanent FTE [full-time equivalent] employees as well as four contract positions that will be hired for a temporary period of time to begin the implementation in this biennium, such as development, resource gathering, and identification of stakeholders across the state, to ensure that we have all the resources and requirements identified in order to meet the implementation date of January 1, 2024. The two FTE positions are an IT [information technology] position of a business process analyst, and a program officer to monitor the system on a full-time basis. Both of those positions were identified based on our experience with the DMV automatic voter registration project.

**Chair Carlton:**

Is there anyone wishing to testify in support of A.B. 432 (R1)?

**Maria-Teresa Liebermann-Parraga, Deputy Director, Battle Born Progress:**

Battle Born Progress is here to support A.B. 432 (R1) and we ask that you support this investment for expanding automatic voter registration in Nevada because any time we can expand ways to register to vote is a worthwhile investment. Thank you for your time.

**Emily Persaud-Zamora, Executive Director, Silver State Voices:**

I am here in strong support of A.B. 432 (R1). Funding more methods in which eligible voters may register to vote is imperative to ensure that we are welcoming greater participation in our electoral process among all Nevadans. We ask that you invest in our democracy by voting yes on A.B. 432 (R1). Thank you so much for your time.

**Chair Carlton:**

Is there anyone wishing to testify in opposition? [There was no one.] Is there anyone wishing to testify in neutral?

**Mark Wlaschin:**

The Office of the Secretary of State is neutral on A.B. 432 (R1).

**Julie Balderson, Public Information Officer, Division of Welfare and Supportive Services,  
Department of Health and Human Services:**

Based on the change in the timeline of implementation, the Division of Welfare and Supportive Services has removed its fiscal note for this biennium.

**Assemblyman Watts:**

I would note that, with the implementation timeline being pushed out two years, I do not believe there is a need for staffing in fiscal year (FY) 2022 to begin that process. I would also note that there has already been a working group established to implement and monitor automatic voter registration at the DMV that I believe can be successfully built upon for the expansion of the system contemplated in this bill. I think there is a bit of a disagreement of the timeline regarding the Secretary of State's fiscal note and any adjustments resulting from the amendment.

**Chair Carlton:**

We will close the hearing on A.B. 432 (R1). We will not be discussing Assembly Bill 65 until we receive and are able to review the new amendment. We will go over the Senate bills that we heard a while ago and that need to make their way from the "parking lot" to the Assembly floor to get finalized. We will open the hearing on S.B. 410.

**Senate Bill 410: Makes an appropriation to the Central Repository for Nevada Records of Criminal History within the Records, Communications and Compliance Division of the Department of Public Safety for the modernization program for the Nevada Criminal Justice Information System. (BDR S-1132)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 410 makes a State General Fund appropriation of \$18,643,998 to the central repository for the Nevada Records of Criminal History of the Department of Public Safety for the continued cost of modernization for their Nevada Criminal Justice Information System (NCJIS). Fiscal staff worked in consultation with the agency and the Governor's Finance Office and identified \$3 million available in reserves that can be applied toward the modernization project. Therefore, the General Fund appropriation could be amended to \$15,643,998.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO AMEND AND  
DUE PASS SENATE BILL 410.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion?

**Assemblyman Roberts:**

This is direly needed; the system is outdated. This is a must, and I look forward to supporting this here and on the floor.

THE MOTION PASSED (ASSEMBLYWOMAN BENITEZ-THOMPSON  
WAS ABSENT FOR THE VOTE).

**Senate Bill 411: Makes appropriations to the Division of Parole and Probation and the Investigation Division of the Department of Public Safety for the replacement of computer hardware and software. (BDR S-1130)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 411 makes General Fund appropriations totaling \$379,541 to the Department of Public Safety for the replacement of computer hardware and software for the Division of Parole and Probation and the Investigation Division. There are no amendments.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO DO PASS  
SENATE BILL 411.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED (ASSEMBLYWOMAN BENITEZ-THOMPSON  
WAS ABSENT FOR THE VOTE).

**Senate Bill 412: Makes an appropriation to the State Department of Agriculture for new laboratory equipment and maintenance contracts related to veterinary medical services. (BDR S-1128)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 412 makes a General Fund appropriation of \$53,550 to the Department of Agriculture for new laboratory equipment and maintenance contracts related to veterinary medical services. There are no amendments recommended.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO DO PASS  
SENATE BILL 412.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED (ASSEMBLYWOMAN BENITEZ-THOMPSON  
WAS ABSENT FOR THE VOTE).

**Senate Bill 413: Makes an appropriation to the Nevada Gaming Control Board for the continuing costs of replacement of its information system. (BDR S-1127)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 413 appropriates \$5,409,619 to the Nevada Gaming Control Board to fund the continued costs of the alpha migration project replacement and to modernize the Nevada Gaming Control Board's information system over the 2021-2023 biennium. There are no recommended amendments.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO DO PASS  
SENATE BILL 413.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED (ASSEMBLYWOMAN BENITEZ-THOMPSON  
WAS ABSENT FOR THE VOTE).

**Senate Bill 414: Makes an appropriation to the Department of Taxation for the continuing costs of the modernization of the Unified Tax System as part of Project MYNT. (BDR S-1119)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 414 makes a General Fund appropriation of \$2,943,463 to the Department of Taxation for the continuing costs of modernization of the Unified Tax System as part of Project MYNT [(Modernize Your Nevada Tax)]. There are no amendments recommended.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO DO PASS  
SENATE BILL 414.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED (ASSEMBLYWOMAN BENITEZ-THOMPSON  
WAS ABSENT FOR THE VOTE).

**Senate Bill 415 (1st Reprint): Makes an appropriation to the Department of Taxation for the relocation and consolidation of the two offices in the Las Vegas Valley into one office in southern Nevada. (BDR S-1118)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 415 (1st Reprint) makes a General Fund appropriation of \$632,854 to the Department of Taxation for the relocation and consolidation of the two offices in the Las Vegas Valley into one office in southern Nevada. We do not recognize the amendment on the Senate side, so it would just be a do pass.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO DO PASS  
SENATE BILL 415 (1st Reprint).

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED (ASSEMBLYWOMAN BENITEZ-THOMPSON  
WAS ABSENT FOR THE VOTE).

**Senate Bill 418: Makes an appropriation to the Budget Division of the Office of Finance in the Office of the Governor for the continuation of the Nevada Executive Budget System upgrade project. (BDR S-1059)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 418 makes a General Fund appropriation of \$422,000 to the Budget Division of the Governor's Finance Office for the continued upgrade of the Nevada Executive Budget System. There are no amendments on this bill.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO DO PASS  
SENATE BILL 418.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED (ASSEMBLYWOMAN BENITEZ-THOMPSON  
WAS ABSENT FOR THE VOTE).

**Senate Bill 426: Makes an appropriation to the Office of Finance in the Office of the Governor as a loan for the replacement of the content management and portal platform. (BDR S-1115)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 426 makes a General Fund appropriation of \$1,784,500 to serve as a loan to the Division of Enterprise Information Technology Services in the Department of Administration for the replacement of the content management and portal platform. The bill requires the Division to provide annual installments of 25 percent of the replacement of the platform beginning July 1, 2023. There are no recommended amendments.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO DO PASS  
SENATE BILL 426.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED (ASSEMBLYWOMAN BENITEZ-THOMPSON  
WAS ABSENT FOR THE VOTE).



**Senate Bill 427: Makes appropriations to the Division of Child and Family Services of the Department of Health and Human Services for deferred maintenance projects at certain facilities. (BDR S-1123)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Senate Bill 427 makes General Fund appropriations totaling \$766,561 to the Division of Child and Family Services of the Department of Health and Human Services for deferred maintenance projects at Summit View Youth Center, Caliente Youth Center, Nevada Youth Training Center, and the Southern Nevada Child and Adolescent Service Campus. There are no recommended amendments.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO DO PASS  
SENATE BILL 427.

ASSEMBLYWOMAN TITUS SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED (ASSEMBLYWOMAN BENITEZ-THOMPSON  
WAS ABSENT FOR THE VOTE).

I would like to finish Assembly Bill 432 so that we can get it to the floor.

**Assembly Bill 432 (1st Reprint): Revises provisions relating to elections. (BDR 24-1039)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Assembly Bill 432 (1st Reprint), as amended, provides that certain agencies of the Executive Department are provided as automatic voter registration agencies. It authorizes the Governor to designate additional state agencies and certain Tribal agencies as automatic voter registration agencies and sets forward the requirements of an automatic voter registration agency to transmit certain voter registration information to the Secretary of the State and county clerks.

The Silver State Health Insurance Exchange originally had a fiscal note of \$4.1 million in FY 2022 and \$937,253 in FY 2023. However, an unsolicited fiscal note was submitted last night indicating that there would be no fiscal impact for this biennium. In future biennia, it would be approximately \$4.9 million. The Division of Welfare and Supportive Services also had a fiscal note of \$3.2 million in FY 2022; however, with the delay of implementation, they removed their fiscal note. The DMV indicated that they would need \$48,233 for programming hours related to the automatic voter registration, and the Secretary of State has provided a fiscal note of \$736,391 in FY 2022 and \$346,439 in FY 2023 for various positions related to the maintenance and upgrades of the automatic voter registration system.

**Chair Carlton:**

Are there any comments or questions from the Committee? Some of the fiscal notes have been removed but the Secretary of State's still stands. We will process it with that fiscal note, but I believe there will be more discussion as this bill moves through the process.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO AMEND AND DO PASS ASSEMBLY BILL 432, AS AMENDED.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion? [There were none.]

THE MOTION PASSED (ASSEMBLYMEN HAFEN, LEAVITT, ROBERTS, TITUS, AND TOLLES VOTED NO. ASSEMBLYWOMAN BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE).

Next, we will process the CIP [Capital Improvement Program] bill and the Pay Bill so that we can get those to the floor. Ms. Coffman?

**Assembly Bill 492: Authorizes and provides funding for certain projects of capital improvement. (BDR S-1172)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Assembly Bill 492, also known as the CIP bill, relates to projects of capital improvement, authorizes certain expenditures by the State Public Works Division in the Department of Administration, and levies a property tax to support the Consolidated Bond Interest and Redemption Fund, and makes various appropriations.

**Chair Carlton:**

This is the hearing on Assembly Bill 492. Is there anyone wishing to testify in support?

**Kent Ervin, Legislative Liaison, Nevada Faculty Alliance:**

We appreciate the funding for the UNLV [University of Nevada, Las Vegas] Engineering building, the welding lab at GBC [Great Basin College], and the other items for NSHE [Nevada System of Higher Education]. Thank you very much.

**Doug Unger, UNLV Chapter President and Southern Nevada Government Affairs, Nevada Faculty Alliance:**

We would like to express our strong support for A.B. 492 and all the good provisions for UNLV and southern Nevada that is continued. Thank you.

**Chair Carlton:**

Is there anyone in opposition? [There was no one.] Is there anyone in neutral? [There was no one.] We will close the hearing on A.B. 492.

ASSEMBLYMAN FRIERSON MOVED TO DO PASS ASSEMBLY BILL 492.

ASSEMBLYWOMAN MONROE-MORENO SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion?

**Assemblywoman Titus:**

I will support this out of Committee with the right to change my vote.

THE MOTION PASSED (ASSEMBLYWOMAN BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE).

**Chair Carlton:**

We will move on to the Pay Bill, Assembly Bill 493.

**Assembly Bill 493: Provides for compensation of state employees. (BDR S-1173)**

**Sarah Coffman, Assembly Fiscal Analyst:**

Assembly Bill 493 establishes the maximum allowed salaries for certain state employees and makes appropriations from the General Fund and the State Highway Fund for increases in salaries of certain state employees.

**Chair Carlton:**

This is the hearing on A.B. 493. Is there anyone in support? [There was no one.] Is there anyone in opposition?

**Kent Ervin, Legislative Liaison, Nevada Faculty Alliance:**

Of course, we support paying our state employees. I just have to put on the record that the 1 percent COLA [cost of living adjustment] in FY 2023 only is inadequate to account for inflation since our last COLA was in July of 2019. The Consumer Price Index has increased 4.6 percent through April. Over the last ten years, inflation has been 22 percent and the accumulated state COLAs have been 12 percent, which is a net 10 percent loss in purchasing power. The disparity between the 3 percent COLA for those in bargaining units who reached agreements with the state and the 1 percent for all other state employees will cause real policy and compensation issues long-term. I ask you to fix that as this process goes forward. It is particularly unfair for those of us who are excluded by statute in *Nevada Revised Statutes* Chapter 288 from being in one of the state bargaining units so we did not even have the opportunity to bargain or reach an agreement with the Executive Branch in order to gain a higher COLA. Thank you very much.

**Doug Unger, UNLV Chapter President and Southern Nevada Government Affairs, Nevada Faculty Alliance:**

I would like to point out that faculty salaries are now 15 percent below the national average, whereas they were 15 percent above the national average in 2008. The 1 percent COLA, which

would affect NSHE faculty will, in essence, drive our salaries down another 2 percent over the next two years. We hope that this can be fixed. Salary and PEBP [Public Employees' Benefits Program] benefits are the two most pressing issues among our faculty. In order to hire and retain quality teachers and scholars for the Nevada System of Higher Education, we would request a reconsideration of the 1 percent and raising it to the extent that you deem prudent and possible. Thank you very much.

**Chair Carlton:**

Is there anyone wishing to testify in neutral? [There was no one.]

**Assemblyman Hafen:**

If an agency has a collective bargaining agreement but an individual within the agency is not a part of that, are they subject to the 1 percent or are they subject to the 3 percent with the whole agency?

**Sarah Coffman:**

Those who are in the collective bargaining unit get the 3 percent and those who are not in the collective bargaining would get 1 percent. You may have instances where individuals in the same agency have different COLAs.

**Chair Carlton:**

We were walked through all the different categories yesterday. There is 3 percent, 2 percent plus whatever the state does—those individual units have gone ahead and bargained, got their process through the Board of Examiners by the May 25 deadline. Moving forward, there are still others in that process; they just did not make it by the deadline. You may see some of those next year. We can go ahead and process the bill.

ASSEMBLYWOMAN MONROE-MORENO MOVED TO DO PASS  
ASSEMBLY BILL 493.

ASSEMBLYMAN FRIERSON SECONDED THE MOTION.

**Chair Carlton:**

Are there any questions or comments on the motion?

**Assemblywoman Titus:**

I will be a no on this. I know we need to pay our employees, but during the hearing and again this morning, it is evident there is complete disparity. I would say it is not fair to our employees. Whether you are prounion is not the conversation; the conversation is that some agencies can negotiate for their members while others cannot. It forces you to join a union. You may not be for the union. Some people get a 3 percent increase while others only get a 1 percent increase. I feel there is some significant concern there. I cannot support this as submitted.

**Chair Carlton:**

I think it is important to clarify that the issues with which you have problems were in the collective bargaining bill, not encapsulated in the pay bill. Those things were voted on,

decided, and debated in the collective bargaining bill. Different agencies and groups have had the opportunity to move forward. That conversation was there, not here. We are dealing with what is in front of us right now. If you want to negotiate the bargaining agreement and it gets through the Board of Examiners, I feel it is our responsibility to have a serious conversation about what those numbers really are, to make sure that they fit where we need to go, and that we process what has been done.

**Assemblyman Roberts:**

I was involved in collective bargaining my whole career. The leadership appointed employees at the discretion of the agency head. With those raises, this COLA is not fair. Therefore, I will be a no.

**Chair Carlton:**

The opposition is more about the 1 percent for everyone else than about the 2 or 3 percent for the bargaining units. I want to make it clear that you are not opposed to the negotiation, you are opposed to the 1 percent for everyone else.

**Assemblyman Roberts:**

Correct.

**Assemblywoman Tolles:**

Because this is written into this bill, in the case that Assemblyman Roberts just laid out for us, it prohibits an agency from being able to choose to raise the COLA to 3 percent?

**Chair Carlton:**

We have strayed from a work session. These questions should have come up when we had the hearing. I think we made everything clear.

**Assemblywoman Tolles:**

There is no room for negotiation for those employees not represented by a collective bargaining unit, correct?

**Chair Carlton:**

Nevada is a right to work state; you will get representation whether you pay union dues or not. We do have freeloaders in this state within collective bargaining agreements. If you are in that employment category, you will receive these dollars whether you pay dues or not. However, if you have not created a bargaining unit, gone to negotiations, passed through the Board of Examiners, then it does not exist. We are waiting for Category 1 police officers to finish their process. We look forward to that happening in the next two years. I think you have to encapsulate all the collective bargaining agreement statutes. Are there any other questions or comments?

**Assemblywoman Tolles:**

I share the same concerns with my colleagues about that disparity. I am also a no.

**Chair Carlton:**

It is the 1 percent disparity that is the concern.

THE MOTION PASSED (ASSEMBLYMEN HAFEN, LEAVITT, ROBERTS, TITUS, AND TOLLES VOTED NO, ASSEMBLYWOMEN MILLER AND BENITEZ-THOMPSON WERE ABSENT FOR THE VOTE).

We will move on to Senate Bill 40 (2nd Reprint).

**Senate Bill 40 (2nd Reprint): Provides for the collection of certain data relating to health care. (BDR 40-415)**

**Sara Cholhagian, Executive Director, Patient Protection Commission:**

Senate Bill 40 (2nd Reprint) implements several transparency measures to help better understand data trends in the health care industry. Specifically, this bill requires DHHS [Department of Health and Human Services], to the extent that federal money is available, to establish an all-payer claims database of information relating to health insurance claims resulting from medical, dental, or pharmacy benefits provided in Nevada. Any public or private insurer that provides health benefits and is regulated under state law must submit data to the database and insurers regulated under federal law can voluntarily submit data. In addition, S.B. 40 (R2) requires DHHS and the Division of Insurance in the Department of Business and Industry to submit a report to the Patient Protection Commission (PPC) and the Legislative Committee on Health Care regarding the types of reported data that could be used to analyze trends in the cost of health care, consolidation among health care entities, and other issues related to access to care. Lastly, S.B. 40 (R2) authorizes the Commission to request not more than two reports per year concerning cost, consolidation, and access to care from state or local government entities. Those reports must be submitted to the Executive Director of the PPC and to the Attorney General, so long as the agency has the resources to comply and the request does not violate HIPAA [the Health Insurance Portability and Accountability Act of 1996].

With the adoption of amendment 723, section 19.7 makes an appropriation to DHCFP [the Department of Health Care Financing and Policy] for the development of an APCD [all-payer claims database].

**Ellen Crecelius, Actuarial Economist, Division of Health Care Financing and Policy, Department of Health and Human Services:**

For the fiscal note, we updated our previous analysis to remove some costs that we thought we would be able to live without. We removed the staffing cost; we anticipate we will be able to cover the project with current staff. We also removed the Medicaid data extract because we believe we can cover that with our currently budgeted enhancement hours.

The fiscal note continues to include the cost of the development of the database, the contract for RFP [request for proposal] assistance, and the regulation. I believe the appropriation fully offsets the General Fund need that we put in the fiscal note.

**Sandie Ruybalid, Chief IT Manager, Division of Health Care Financing and Policy,  
Department of Health and Human Services:**

We can draw down 90 percent of the planning and implementation costs from federal funding. We have the opportunity to get a grant for \$2.5 million over a three-year period under the No Surprises Act that we believe will cover implementation costs. Additionally, 75 percent of operation costs can be federally funded for the population attributed to Medicaid.

**Sara Chalhagian:**

The funding associated with the No Surprises Act is a noncompetitive grant. My understanding is that funding priority will be given to those states that allow for voluntarily submitted data; this bill will allow for that volunteer submission.

**Chair Carlton:**

Are there any questions from the Committee on S.B. 40? [There was no one.] I will open the hearing. Is there anyone wishing to testify in support of S.B. 40? [There was no one.] Is there anyone wishing to testify in opposition? [There was no one.] Is there anyone wishing to testify in neutral? [There was no one.]

We will close the hearing on S.B. 40. We will open the hearing on S.B. 5 (R2).

**Senate Bill 5 (2nd Reprint): Makes changes relating to telehealth. (BDR 40-416)**

**Sara Chalhagian, Executive Director, Patient Protection Commission:**

Senate Bill 5 (2nd Reprint) is a measure that makes changes to telehealth. It is an effort to recognize a long-term recovery and new normal for patient access to care. The bill in its current form clarifies that the definition of telehealth includes both synchronous and asynchronous interactions and adds audio-only interaction to the definition except as it relates to industrial insurance or workers' compensation. It also temporarily requires third-party payers to cover telehealth services in the same amount as services provided in person except for audio-only interactions. It also requires DHHS to the extent that money and resources are available, to establish a data dashboard that allows for the analysis of data related to telehealth access. There are no fiscal notes on this bill.

**DuAne Young, Deputy Administrator, Division of Health Care Financing and Policy,  
Department of Health and Human Services:**

The asynchronous interactions are similar to what *Nevada Revised Statutes* Chapter 422 calls store and forward communication, where messages are left by a medical provider for the recipient. It is a little more complicated as far as the provider leaving detailed messages and instructions that are aligned with the plan of care.

**Chair Carlton:**

If I were to go online and leave a message for my provider and get a response, would that be billable and reimbursable at the same level as an in-person visit?

**DuAne Young:**

Not exactly. The asynchronous communication is designed to have responses specific to a patient's individual care plan so it would have detailed instructions from your provider based off something. It would not necessarily be you calling in saying what your issue is and the doctor writing a prescription—that is not billable in the same equivalent. It requires that there be messaging related to the care plan in that visit and specific codes be billed that meet the qualifications of those CPTs [Current Procedural Terminology].

**Assemblywoman Benitez-Thompson:**

I want to ensure we have a clear picture of how this will look once the public health emergency ends. What does CMS [the Centers for Medicare and Medicaid Services] tell us about telehealth and the pandemic?

**DuAne Young:**

When we first started down this path of a public health emergency, the CFR [Code of Federal Regulations] that governs HIPAA privacy was run through the Office of Civil Rights through the Department of Health and Human Services. They had originally interpreted that CFR regarding privacy to ban audio-only communications as well as such modern technologies such as FaceTime and Zoom. The Centers for Medicare and Medicaid Services then issued guidance at the onset of the pandemic suspending the HIPAA rules and that rule governed by the Office of Civil Rights. They did not actually have jurisdiction to do that, but the Office of Civil Rights decided to not enforce those rules. We, as a state, because we have language in the *Nevada Revised Statutes* specifically blacking out audio-only telehealth, and we were silent following the federal rules in terms of HIPAA privacy, we released additional guidance allowing flexibility through the relation of the public health emergency. The Centers for Medicare and Medicaid Services, along with the Office of Civil Rights have now publicly stated that it is not a regulatory change that is needed but rather an interpretation of their guidance. The Office of Civil Rights has released new guidance saying providers must retain reasonable amounts of privacy but there is no restriction or prohibition of audio-only telehealth. The only remaining prohibition or restriction is that of *Nevada Revised Statutes* Chapter 422 for Medicaid reimbursement. This bill seeks to align us with that new federal guidance.

**Assemblywoman Benitez-Thompson:**

That is specific to the language throughout the bill that says, "Except for services provided through the audio-only interactions," is that correct?

**DuAne Young:**

Correct. That provision of the bill does two things: introduces audio-only into the text after it has been struck out where it was prohibited earlier, and it allows us the flexibility to not pay in parity for audio-only telehealth since there is no fiscal note for increased utilization. If we again end up in a crisis like we were last summer, where we had to decide whether to take away prosthetics or cut rates, we have levers within the policy to pay unequally between audio-only communication and other telehealth visits, if the Division needed to do that to make itself solvent.



**Assemblywoman Benitez-Thompson:**

All the temporary federal regulations that allow for the expansion of telehealth through the public health emergency will sunset when the public health emergency ends. I think that CMS is studying the economics, modalities, and patient interactions for which telehealth is appropriate. Does this make sense for an initial visit? Does this make sense for a follow-up? Does this make sense for surgical patients? They are looking for where this will be the best fit, but I do not see something across the board that says we have the research data to say this is how we are going forward across the continuum of care. Is CMS saying something different? Do we have more recent data and research about specific uses of telehealth?

For example, in Medicaid, there are time increments in which to bill. They are looking at what the standard inpatient time increment versus the standard telehealth time increment, which could be 7 or 8 minutes as opposed to 15 minutes. Are we going to end up overpaying because we do not understand the economics of the modalities? Is there more data out there to help us understand that?

**DuAne Young:**

The statements I made pertain to Medicaid. With Medicare, we will see federal legislation moving forward to define better parameters, through Medicare, for telehealth. The prohibitions that exist within federal regulations and statutes apply to Medicare but not Medicaid. That will have an impact on commercial plans because those Medicare Advantage Plans are run through commercial providers. You are seeing some movement at the federal level to define further parameters. I think this discussion is twofold. I can speak to the Medicaid portion. Nevada Medicaid has been the nation's leader in telehealth as far as the open-endedness of our policy that was built for our rural and frontier areas. We have open policy that allows telehealth services as long as they meet medical necessity and were performed to the same standards and quality of care as in-person services. One of the things we are doing as a state is participating in the Western States Pact. We are doing a study within Medicaid and how this translates to other markets, how it translates to other payers, and understanding first and foremost, that the decision to use telehealth should be the decision between patient and provider. Patients should not be driven to telehealth as a cost-saving measure but to get their needs met, especially in areas where there are no providers. Also, they should have a reasonable standard of care that applies that medical necessity and meets the qualifications for whatever CPT [Current Procedural Terminology] code is being performed. We as a state will continue to study this in the Western States Pact. We will continue to see movement at the federal level addressing Medicare and Medicare Advantage Plans, and I think we will see that trickle down to commercial.

**Assemblywoman Benitez-Thompson:**

I am looking at the back half of the book, which deals with the commercial chapters. There were studies from 2015 to 2019 on the use of telehealth in specific circumstances and the equivalent rates for face-to-face visits—that data can be seen on the CMS website. Underserved populations such as rural populations that may have an insufficient supply of medical providers and some behavioral health matters have been studied well. Can we talk more about when we broaden it and put this concept of payment parity into the commercial

insurance chapters? Do we know how it plays out there, going from this specific application of telehealth to making it across the continuum of care?

**Sara Cholhagian:**

I would say that we do not know but what you could look at in the way the bill was modified in the policy committee and in my testimony earlier is that the payment parity portion for the commercial side, the language has been changed to make it a temporary payment parity. So, the parity requirements for telehealth services on the commercial side will expire one year after the date on which the public health emergency terminates but no later than June 30, 2023. The amendment also requires an exception for behavioral health services if that expiration date is before June 30, 2022. In this case, behavioral health services provided through telehealth will continue to be reimbursed at the same rate as in-person services until June 30, 2023.

**Assemblywoman Benitez-Thompson:**

On the commercial side, that is all services; that is surgical, that is onboarding. Hypothetically, you could have a patient go through quite a bit of the continuum of care completely through telehealth, and there would be financial incentive to do that.

**Sara Cholhagian:**

Correct.

**Chair Carlton:**

Can the initial visit be set up through telehealth only during the public health emergency or is that ongoing language?

**DuAne Young:**

That depends on the service. Primary care initial visits and most behavioral health initial visits can be established through telehealth. Where we have had a divergent discussion is when we are introducing someone into opioid-assisted medications as the treatment. How to handle that initial visit has a different set of guidance, whether through telehealth or initiated in person, that choice has always been available in Nevada Medicaid.

**Assemblywoman Titus:**

I still have some concerns about the process with audio-only telehealth. In rural areas, most people do not have a smartphone that works consistently. I have been reading where it clarifies whether the provider gets reimbursed for audio-only, and I am seeing that they would. Can it be an old-fashioned dial up phone? Will they get reimbursed for that?

**DuAne Young:**

Yes. The original language stricken out by this bill said standard telephone. Audio-only is a better term to encompass that. It does not have to be a smartphone; it can be a standard landline as long as the provider can establish reasonable privacy to ensure the patient is able to speak freely.

**Chair Carlton:**

I am thinking about some of the seniors I know and some people who may not be technologically savvy. On the commercial side, are we going to force people to use telehealth? Will they still have an option to go in or will they be told they must use telehealth? What happens if they cannot figure out how to do it? I would hate for people to be told this is the only way they can access their health care.

**Sara Chalhagian:**

The intent behind the request is to encourage providers to use virtual care alternatives to increase access to care. There was not a dialogue in switching saying that this would take precedence over in-person. It is allowing for greater access and another alternative way for them to provide care to all their patients. Using telehealth as the primary form of care was not discussed; it was in the spirit of ensuring an alternative care option.

**Chair Carlton:**

I would hate to see providers go the other way and not allow patients to make in-person appointments. I understand during the pandemic and health care crisis we needed to figure out how to get things done, but a provider can probably get a lot more from a patient just by looking at them and having an in-person conversation.

**Assemblywoman Benitez-Thompson:**

I think that is the biggest piece I worry about; I want to make sure we are keeping our eyes wide open on this because we have not studied the economics of it. The Centers for Medicare and Medicaid Services have stated that we have not studied the economics of it. They cite one clinic in Oregon that went from a total of 1,500 telehealth visits in a year to 20,000 in a month and they do not understand the economics of it. If a provider is reimbursed just as much for a telehealth visit as they are for an in-person visit across the spectrum for every point of care, how does that affect health care economics? It is something we are always talking about. With telehealth, you do not have a brick and mortar component like you do with inpatient. Anyone who is in for-profit health care will pencil this out and will realize that there is a financial incentive for their bottom line to push more telehealth. I wonder if we are seeing how that will look. That is why, for the private insurance side, I am so concerned about this.

The Centers for Medicare and Medicaid Services have put provisions in place specific to the state of emergency saying that this is how we must pivot because it is urgent, but they are also saying that they will be looking at this and studying this. I think that within a year and a half, CMS is going to have data and will know better where telehealth is happening most effectively and efficiently and will then move forward with a plan. With us extending one year past the end of the state of emergency, we will be out of line. If we want decisions based on evidence and science, I want to acknowledge that we do not have it for that piece.

**Sara Chalhagian:**

I appreciate your desire to ensure that this is following the Commission's intent. The discussion that the Commission had when they were thinking about this measure was around

increasing access to patient care for the long-term recovery, recognizing that you have seen data-driven pieces of access for patients utilizing health care in tremendous numbers via telehealth. We want to ensure patients have continued access to care. There were some other parameters in that discussion: for instance, the audio-only provision. There was a carve out to recognize that you want that as an allowable modality, but there is not payment parity for audio-only interactions. Those are some of the safeguards that were discussed with the Commission.

**Chair Carlton:**

There is not a fiscal note but as we have had this discussion, you can see where the possible fiscal impacts could be to the state and everyone else as this moves forward. Medicaid is one of the largest components of our budget; knowing where we could be with that a couple years down the road is valuable. Not every fiscal note points in the same direction, but bills can have a fiscal impact in the long run, so we want to make sure we have that conversation. Are there any other questions from the Committee? [There were none.] Is there anyone wishing to testify in support of S.B. 5 (R2)?

**Barry Gold, Director of Government Relations, AARP Nevada:**

Thank you for the great discussion on access, necessity, and convenience versus profitability. AARP has 345,000 members and we support this bill. Thank you.

**Robin Reedy, Executive Director, NAMI Nevada, National Alliance on Mental Illness:**

We support this bill; it saves lives. It has saved lives during the pandemic and can continue to do so. Thank you for your consideration.

**Chair Carlton:**

Is there anyone in opposition? [There was no one.] Is there anyone in neutral? [There was no one.]

We will close the hearing on Senate Bill 5 (R2) and open the hearing on S.B. 154 (R1).

**Senate Bill 154 (1st Reprint): Makes changes related to Medicaid coverage of certain treatments administered at institutions for mental diseases. (BDR 38-451)**

**Senator Julia Ratti, Senate District No. 13:**

This is a relatively straightforward bill, but it is incredibly important in making sure we are meeting the needs of Nevadans when it comes to behavioral health. Institutions for mental disease is a federal term and not my favorite term. Institutions for mental disease (IMDs) are agencies that serve individuals with serious mental illness or substance use disorder. In a time when we were trying to ensure we did not have too many people sitting in institutions, Medicaid put a cap on the number of beds allowed in an agency providing a bed for people with serious mental illness or a substance use disorder; they said they would not reimburse any entity that has more than 16 beds. If you provide a bed for serious mental illness or substance use disorder and you have more than 16 beds, you are no longer eligible for Medicaid reimbursement.

Over time, CMS recognized that this policy may have been pushing more costs into the Medicaid system because if you cannot get a bed in one of these facilities, you will end up in an emergency room, which is a much more expensive level of care. This bill allows the state to apply for two types of Medicaid waivers: one for people who have a serious mental illness and one for those with a substance use disorder. If there is a demonstrated cost savings over a five-year period by utilizing these agencies, then the agencies can start billing Medicaid for services. There will be a cost savings predicted with this bill. What is happening now is people are not getting care until their issues escalate and become a very expensive part of our Medicaid system.

The process is as follows: this bill must be passed, the CMS approval process must be passed, and then there will be more beds available for those in our communities who need them. That is an oversimplified description of the Medicaid waiver process.

There is a \$49,000 fiscal note to stand up the process in FY 2022 and an anticipated savings of \$140,000 in the second year. The savings in the second year will offset the costs in the first year.

**Chair Carlton:**

Are there any questions from the Committee? [There were none.]

Is there anyone wishing to testify in support of S.B. 154 (R1)?

**Joan Hall, President and Chief Executive Officer, Nevada Rural Hospital Partners:**

Nevada Rural Hospital Partners are in support of this bill. As Senator Ratti said, this opens additional beds—that is very important for our behavioral health clients. Thank you.

**Valerie Padovani, representing the Nevada Psychiatric Association:**

The Nevada Psychiatric Association supported this bill in the policy committee, and we support it still. It is good policy and we look forward to it moving forward, hopefully. Thank you.

**Robin Reedy, Executive Director, NAMI Nevada, National Alliance on Mental Illness:**

We are here in support of this bill; it makes sense. It not only makes sense, but it also makes dollars and cents. Thank you.

**Chair Carlton:**

Is there anyone in opposition? [There was no one.] Is there anyone in neutral? [There was no one.]

**Senator Ratti:**

I want to recognize the Nevada Psychiatric Association and Dr. Woodard and thousands of behavioral health and mental health advocates at the national level and at the state level. We

have been working on this for decades; I am just lucky enough to be the one sitting in this seat when it gets done.

**Chair Carlton:**

We will close the hearing on Senate Bill 154 (1st Reprint) and move on to Senate Bill 290 (3rd Reprint).

**Senate Bill 290 (3rd Reprint): Enacts provisions relating to prescription drugs for the treatment of cancer. (BDR 57-973)**

**Senator Roberta Lange, Senate District No. 7:**

This bill is about step exceptions for cancer. Approximately 16,970 new cancer cases will be diagnosed in Nevada this year. We are above the national average in cancer. People face tremendous financial burdens when they get cancer for the medicines they need to take and the care that they need to get better. Generally, health insurers use step therapy to lower the cost. I will give you an example of step therapy. Health insurance companies use step therapy programs to lower their cost. If you were diagnosed with cancer, under the step therapy protocols by insurance companies, you would be required to take a step 1 medicine even if you were diagnosed with a stage 4 cancer. Then if that did not meet your needs, they would move you to a step 2 and then on to a step 3 or 4. Under my bill, it is called a step exception therapy so if you were diagnosed with a stage 3 or 4 cancer, your doctor would be able to ask the insurance company for a step exception that would allow access directly to the step 3 or 4 cancer medicines to treat your diagnosis. If the insurance company did not agree, there is an appeals process. I have been fortunate to work with the major insurance companies and doctors in the hospitals; we have agreed that this would meet the needs of patients in Nevada and give people an opportunity to cure their cancer and live a life beyond the average four years. I think that this will be a great opportunity for those facing death to have an opportunity for life.

When this bill came out of the Senate, it had no fiscal notes. Chair Carlton rightly said that it did not include Medicaid patients. The reason I did not include Medicaid patients in my bill this year is because I knew that our state coming out of the pandemic did not have a lot of funds, and I wanted to ensure that we got a start to this bill. My intention is to expand it in a couple years when hopefully our state will be in a different financial situation. If we could add Medicaid patients earlier, it would be that much better. Thank you.

**Chair Carlton:**

Will this have an impact on PEBP (Public Employees' Benefits Program)?

**Senator Lange:**

Initially, when this bill came out of the Senate, we did not have a fiscal note for PEBP. The bill in its original form had no fiscal note. We made changes because Clark County asked for an exception and we later found out that we did not need to make those changes, so we put the bill back into its original form. As the bill came over to the Assembly, it picked up the fiscal note from PEBP.

**Chair Carlton:**

The fiscal note from PEBP is \$713,000 annually. There was a conversation in the Assembly Committee on Commerce and Labor about including Medicaid patients. The Senator was gracious enough to let us have that conversation knowing that many of us in this building have the philosophy that if we are going to provide treatment for people, we want to make sure that whether you access it through Medicaid, self insurance, private insurance, or the health and welfare trust, that all cancer patients are treated equally. If I remember correctly, this will not be implemented in northern Nevada so it would not have an impact there, but it will have an impact on Medicaid providers in southern Nevada because it is through an HMO [health maintenance organization] model. Mr. Young, do you have any numbers for us as to what type of fiscal impact this will have on Medicaid if we include Medicaid in this bill?

**DuAne Young, Deputy Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services:**

I want to clarify that this impacts those in the north and the south as managed care has expanded to both Washoe and Clark Counties. There would be no impact to those residents in rural and frontier counties or those in the fee-for-service model. This affects only those within our newly eligible aid categories in Washoe and Clark Counties.

The Division prepared a fiscal note for the total computable costs across FY 2022 and FY 2023 because there is some overlap within the years. This note was estimated in the same matter as PEBP; it was difficult. We received calculations from our largest MCO [managed care organization], one MCO did not reply, and the other did not feel that the provisions of the bill applied to them—we did not agree with that assessment. We aggregated this note across the data of the actual membership of our current plans.

As you are aware, we are going out to RFP [request for proposals] and the composition of our MCO plans could change in FY 2022. As part of that RFP, there is a provision on which the contracts are bidding that calls for a unified PDL [preferred drug list] in calendar year 2023, which would fix this problem in Medicaid as they would need to follow the same preferred drug list. This note is calculated based on the acceptance of nonpreferred drugs over preferred drugs. We have provided this data to the Fiscal Analysis Division. We are looking at approximately \$750,000 each year of the biennium for a total General Fund contribution of \$1.5 million over the 2021-2023 biennium. There are no impacts to the county funds because the county waiver recipients are in fee-for-service.

**Chair Carlton:**

Would it draw down federal funds in addition to the General Fund money?

**DuAne Young:**

The total computable obligation would be \$10 million over the biennium. Because of the varying reimbursement, we would see a significant contribution of \$9.1 million in federal funds and just the \$1.5 million from the State General Fund. We would see a significant contribution from the federal government on this note.

**Chair Carlton:**

If the state invests \$1.5 million, \$10 million worth of care would be given to these cancer patients in Nevada, is that correct?

**DuAne Young:**

That is correct.

**Chair Carlton:**

Are there any questions or comments from the Committee?

**Assemblywoman Gorelow:**

If someone has stage 3 or 4 cancer and they are given step 1 medication and it does not work, they then have to try 2 and then 3—that is going to be very expensive to try all these levels. If they went straight to step 3, it seems that there would be cost savings by skipping two levels. Do we have an idea of how many stage 3 or 4 cancer patients must go up this ladder?

**Senator Lange:**

I think that is part of the problem in trying to figure out the fiscal note. We are not looking at all cancer patients, we are only looking at those whose initial diagnosis is stage 3 or 4 cancer.

**Assemblywoman Gorelow:**

We could have some cost savings if we are not paying for a step 1 drug and a step 2 drug when a step 3 drug is needed. If we went straight to that step 3 drug, we would save those other two steps.

**Senator Lange:**

The reason insurance companies do the steps is because it saves them money. The step 3 and 4 medications are very expensive which is why we put into the bill that, if someone gets to jump to a step 3, they would only receive one week's worth of prescriptions because sometimes the patient's system does not allow them to take that medicine. It is so expensive that we wanted to make sure there is not waste. If they took it for a week and the doctor said it was working, then they could get the rest of the prescription. I tried to find cost savings in being able to jump to the step 3 or 4 medicines.

**Assemblyman Leavitt:**

Does this legislation bypass the appeals process or attempt to eliminate the appeals process?

**Senator Lange:**

No, it does not. In my legislation, if you went to the doctor and you were diagnosed with a stage 3 or 4 cancer, you and your doctor could appeal to the insurance company to be able to jump step 1 and 2 and go straight to the step 3 or 4 medicine.

**Assemblyman Leavitt:**

Having a mother that passed away from cancer three months after she was diagnosed, an appeals process would do her no good. I am trying to figure out how that works logistically.



**Senator Lange:**

The insurance company has 72 hours to respond once you submit all your documents. I, too, had a father who died from cancer; he was trying to get those medicines. He was 48 years old, and they told him he was not sick enough and then he passed away six months later. I think this is important legislation to ensure that people who are diagnosed with stage 3 or 4 cancer have the opportunity to get the medicines that they need so that they can go on and live a life.

**Assemblywoman Titus:**

It seems like this bill is bringing forward some commonsense legislation. It should always be up to the provider and the patient what the best treatment is. We can remove that step forcing prior authorizations and delaying care. It makes good sense to get the treatment as expeditiously as possible without having to ask for so much permission. Hopefully, the language will clarify that it does not prevent the doctor from using the first tier if, indeed, that is appropriate. However, based on their medical education and the patient in front of them, they could go right to step 4 if that is most appropriate. Hopefully, that is where you are going with this: expeditious treatment.

**Senator Lange:**

I agree with you; that is where I want to go in negotiations with the stakeholders. This is a grey area for them. They are unsure of the cost, so they wanted to go into it at a slower pace. I hope we can get to the space of which you are speaking.

**Chair Carlton:**

Do we have someone from PEBP to address the fiscal note? Please come forward.

**Laura Rich, Executive Officer, Public Employees' Benefits Program:**

We have a \$713,000 fiscal note per year. From the conversations I have had with our pharmacy benefit managers (PBMs), the issue is not the stages of cancer, it is formulary versus nonformulary. If a cancer patient is diagnosed and provided a prescription drug by their provider, that prescription is potentially not on the formulary, and there is an alternative that is on the formulary. In these cases, the PBM requires the patient to try that formulary drug before the more expensive, nonformulary drug. There is an appeal process if the provider does not think that alternative drug is appropriate. I asked our PBM how many people stick with the less expensive drug and how many go to the original drug that was prescribed. About 80 percent of them stick with the less expensive drug and it works for them. That is where those costs and savings are, and that is how the \$713,000 fiscal note is derived.

**Chair Carlton:**

I believe you would have the same issue no matter what the diagnosis and what the drug is—that is just the natural tension between provider and formulary. In looking at the number of patients this could possibly impact, is that how you derived the number of \$713,000 per year?

**Laura Rich:**

That is correct. We were unable to differentiate between stage 1 or stage 3 and 4 because PEBP does not get the diagnosis information. This includes all cancer patients.

**Chair Carlton:**

Ms. Rich, would PEBP be able to absorb this cost from reserves at this time or would this need a General Fund appropriation?

**Laura Rich:**

Because people have not been able to seek services in the last year due to the COVID-19 pandemic, we have had claim suppression. There is a significant bucket of reserves currently. However, things are going in the opposite direction now, and we are seeing a lot of utilization. If that continues, those reserves will be drawn down. We do not know how much of those reserves will be used. We did not expect to have any excess, and now we have a \$30 million excess, but I see that as a temporary excess rather than something from which to draw down. It is hard to answer that question.

**Chair Carlton:**

We are looking at \$713,000 in each year, which is a small bump in the road for a plan the size of PEBP. We will have future conversations about it and ensure that we can be responsible and not cause any harm in the long run.

Is there anyone here in support of S.B. 290 (R3)?

**Jaron Hildebrand, Executive Director, Nevada State Medical Association:**

I am calling in support of S.B. 290 (R3) and I want to thank Senator Lange for all her hard work. The Nevada State Medical Association is in support. Thank you so much.

**Dora Martinez, Private Citizen, Reno, Nevada:**

We are in support of S.B. 290 (R3). Thank you, Senator Lange. Have a great morning.

**Chair Carlton:**

Is there anyone in opposition? [There was no one.] Is there anyone in neutral? [There was no one.]

**Senator Lange:**

Thank you. I think this is important for people who are diagnosed, and I want to ensure that everyone understands that we are only talking about the people that are diagnosed with stage 3 or 4, not all cancer patients. If you are diagnosed with stage 1 or 2, you go through the step protocols. I look forward to you supporting the bill.

**Chair Carlton:**

We will close the hearing on Senate Bill 290 (3rd Reprint). There are future conversations that will need to happen. If there are more questions that need to be asked, we will be sure to give the Committee plenty of time for that. I will open the meeting for public comment.

**Kent Ervin, Legislative Liaison, Nevada Faculty Alliance:**

The most regressive cuts to state employees' pay and benefits have been the cuts to PEBP. Those excess reserves arose partly from the claims suppression but also from premiums for employees increasing approximately from 24 percent to 42 percent in FY 2021, depending on the plan. That money came in and much of the COVID-19 expenses were covered by the federal government. The excess reserves may or may not be temporary—some of it has already been allocated by this Committee. For FY 2023, with the American Rescue Plan Act funds, we need a full restoration of the PEBP benefits. Thank you.

**Deborah Vonarx, Private Citizen, Reno, Nevada:**

I am in support of Assembly Bill 351, the Nevada End of Life Options Act. I am a Reno resident, and I have cared for both of my terminally ill parents. My father's care lasted 11 years and was one of the most challenging times of my life. As a former hospice volunteer for Saint Mary's Hospital and a loving daughter, I can speak firsthand to this matter. I am urging you to move this bill forward. There are terminally ill Nevadans standing by right now, desperately in need of this option. Seventy-three percent of Nevadans polled are in favor of this option, it is irrefutable. What I do not understand is why there has been a disrespect and why it has been off the agenda for so long. This is not how democracy works. The majority of people speak, and the legislators hear their intentions. Where did this breakdown come from? If you have any compassion at all for this issue, we are urging you to move this bill forward. We are still fighting and will continue to fight for terminally ill Nevadans. This is a human rights issue, not one that should be overlooked in this way. We should all have this right when the time comes at the end of our lives. I am hoping you make the right decision regarding this bill. Thank you very much.

**Chair Carlton:**

This meeting is adjourned [at 11:10 a.m.].

RESPECTFULLY SUBMITTED:

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Anna Freeman  
Committee Secretary

APPROVED BY:

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Assemblywoman Maggie Carlton, Chair

DATE: \_\_\_\_\_

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

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