

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Eighty-first Session  
May 19, 2021**

The Senate Committee on Finance was called to order by Chair Chris Brooks at 11:27 a.m. on Wednesday, May 19, 2021, Online and in Room 1214 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Chris Brooks, Chair  
Senator Moises Denis, Vice Chair  
Senator Julia Ratti  
Senator Nicole J. Cannizzaro  
Senator Marilyn Dondero Loop  
Senator Ben Kieckhefer  
Senator Pete Goicoechea  
Senator Scott Hammond  
Senator Heidi Seevers Gansert

**GUEST LEGISLATORS PRESENT:**

Senator Dina Neal, Senatorial District No. 4  
Senator Melanie Scheible, Senatorial District No. 9  
Senator Pat Spearman, Senatorial District No. 1

**STAFF MEMBERS PRESENT:**

Wayne Thorley, Senate Fiscal Analyst  
Alex Haartz, Principal Deputy Fiscal Analyst  
Eileen O'Grady, Counsel  
Lynn Hendricks, Committee Secretary

**OTHERS PRESENT:**

Nicholas Shepack, American Civil Liberties Union of Nevada  
Venus Fajota, Chief, Purchasing and Inmate Services, Nevada Department of Corrections

Jodi Hocking, Return Strong: Families United for Justice for the Incarcerated

Nicole Tate, Return Strong: Families United for Justice for the Incarcerated

Nicole Williams, Return Strong: Families United for Justice for the Incarcerated

Denise Volanos, Return Strong: Families United for Justice for the Incarcerated

Adrian Lowry

Areli Rodriguez

Sean Sever, Administrator, Division of Management and Programs, Department  
of Motor Vehicles

Sharath Chandra, Administrator, Real Estate Division, Department of Business  
and Industry

Rocky Finseth, Nevada Association of Realtors

Todd Ingalsbee, Professional Fire Fighters of Nevada

Laura Freed, Director, Department of Administration

Jason Mills, Nevada Justice Association

Tom Dunn, Professional Fire Fighters of Nevada; Reno Firefighters; Reno Airport  
Firefighters Association, IAFF Local 731

Bill Gardner, Fire Fighters of North Las Vegas

Ryan Green, Professional Fire Fighters of Nevada; Reno Airport Firefighters

Cory Whitlock, Professional Fire Fighters of Nevada; Las Vegas Firefighters,  
Local 1285

Kent Ervin, Nevada Faculty Alliance

Shaun Meng, Nevada Self-Insurers Association

Justin Harrison, Clark County

Charlie Donohue, Administrator, Division of State Lands, State Department of  
Conservation and Natural Resources

Jolene Cook, Reno Food Systems

Kelly Goss, Dialysis Patient Citizens

Barry Gold, AARP Nevada

Julia Peek, Deputy Administrator, Community Health Services, Division of Public  
and Behavioral Health, Department of Health and Human Services

Suzanne Bierman, Administrator, Division of Health Care Financing and Policy,  
Department of Health and Human Services

Jennifer Krupp, Chief Financial Officer, Silver State Health Insurance Exchange

Lisa Swearingen, Chief, Eligibility and Payments, Division of Welfare and  
Supportive Services, Department of Health and Human Services

Kristyn Leonard, Nevada Advanced Practice Nurses Association

Priscilla Maloney, American Federation of State, County and Municipal  
Employees, Retiree Chapter Local 4041

Jim Wadhams, Nevada Hospital Association

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Tom Clark, Nevada Association of Health Plans  
Cyrus Hojjaty

CHAIR BROOKS:  
We have a bill draft request (BDR) for introduction.

**BILL DRAFT REQUEST 55-1095**: Makes various changes relating to the licensing of certain entities by the Financial Institutions Division of the Department of Business and Industry or Commissioner of Financial Institutions. (Later introduced as S.B. 453.)

SENATOR DENIS MOVED TO INTRODUCE BDR 55-1095.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED. (SENATORS KIECKHEFER AND SEEVERS GANSERT WERE EXCUSED FOR THE VOTE.)

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CHAIR BROOKS:  
I will open the work session on Senate Bill (S.B.) 76.

**SENATE BILL 76 (1st Reprint)**: Revises provisions relating to education. (BDR 34-297)

WAYNE THORLEY (Senate Fiscal Analyst):

This is a Committee bill from the Senate Committee on Education on behalf of the Department of Education (DOE). It was heard in this Committee on April 23. It is a large policy bill. There is one particular section related to eliminating the requirement in statute for end-of-course exams. That elimination is consistent with the budget decision by the Senate Committee on Finance and the Assembly Committee on Ways and Means, also known as the money committees, to eliminate funding in the DOE's budget for end-of-course exams.

There is a conceptual amendment from the DOE relating to section 5 of the bill. Amendment 218, which was adopted by the Senate, strikes language related to the Committee on Statewide School Safety in section 5. The conceptual amendment from the DOE would restore that language.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 76.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION PASSED. (SENATOR SEEVERS GANSERT WAS EXCUSED  
FOR THE VOTE.)

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CHAIR BROOKS:

I will open the work session on S.B. 210.

**SENATE BILL 210 (1st Reprint)**: Revises provisions relating to the education of a  
child with an emotional disturbance. (BDR 38-561)

ALEX HAARTZ (Principal Deputy Fiscal Analyst):

The Committee heard this bill on May 3, presented by Senator Dondero Loop with assistance by Bailey Bortolin. There was some confusion as to the fiscal impact of the bill. After the hearing, the DOE updated its fiscal note and submitted a revised fiscal note removing the fiscal impact it had previously identified. Therefore, this bill has no fiscal impact identified. Testifiers in support of the bill included individuals from the Clark County Family Services Department, the Clark County District Attorney's Office, Washoe County School District and the Nevada Association of School Superintendents. There were no opposition or neutral comments.

SENATOR DENIS MOVED TO DO PASS S.B. 210.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION PASSED. (SENATOR SEEVERS GANSERT WAS EXCUSED  
FOR THE VOTE.)

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CHAIR BROOKS:

I will open the work session on S.B. 325.

**SENATE BILL 325 (1st Reprint)**: Establishes provisions relating to preventing the acquisition of human immunodeficiency virus. (BDR 54-632)

MR. HAARTZ:

The Committee heard this bill on Monday, May 17, when it was presented by Senator Settlemeyer. The bill seeks to allow pharmacists to perform laboratory testing for the human immunovirus (HIV). The Division of Health Care Finance and Policy (DHCFP), Department of Health and Human Services (DHHS), had a fiscal note on the bill as it was presented, but subsequently removed the fiscal note when the bill was amended. That was confirmed by DuAne Young from DHCFP. As a result, it appears that the bill now has no fiscal impact.

There was one caller in support of the bill from the Retail Association of Nevada. There was no testimony in opposition or neutral.

SENATOR DENIS MOVED TO DO PASS S.B. 325.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION PASSED. (SENATOR SEEVERS GANSERT WAS EXCUSED FOR THE VOTE.)

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CHAIR BROOKS:

I will open the work session on S.B. 93.

**SENATE BILL 93**: Revises provisions relating to Medicaid. (BDR 38-193)

MR. HAARTZ:

This bill was heard on March 29 and presented by Senator Settlemeyer and Senator Hardy. It proposes to authorize a recipient of Medicaid to receive reimbursements for personal care services. It also addresses the suspension of eligibility for Medicaid of a person who is incarcerated, to the extent that is possible. The purpose of the bill is to allow individuals who receive Medicaid to self-direct their own personal care services. The DHCFP provided information on the fiscal impact of this change and indicated that these services are matched on a 50-50 basis with regard to receiving federal reimbursement versus State funds.

The fiscal note from the DHCFF indicated that the fiscal impact of this bill is \$50,895 in General Fund appropriations in fiscal year (FY) 2021-2022 and \$104,354 in FY 2022-2023, for a total of \$155,249 over the 2021-2023 biennium. The bill does not have an appropriation. If the Committee wishes to pass this bill and fund the fiscal note, it would need to be amended to include General Fund appropriations of \$50,895 in FY 2021-2022 and \$104,354 in FY 2022-2023.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 93.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED. (SENATOR SEEVERS GANSERT WAS EXCUSED  
FOR THE VOTE.)

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CHAIR BROOKS:

I will open the work session on S.B.147.

**SENATE BILL 147 (1st Reprint)**: Establishes provisions relating to conditions of release that prohibit the contact or attempted contact of certain persons. (BDR 14-377)

MR. HAARTZ:

The bill was heard on April 28 and was presented by Senator Dallas Harris. As amended by the Senate Judiciary Committee, the bill would allow noncontact orders to be transmitted to a central location, which would be the Nevada Repository for Criminal History. Testimony indicated that noncontact orders are not typically transmitted beyond court minutes, and law enforcement does not necessarily have any record of the order in real time. This bill would centralize the data to make the information available in real time to police officers.

Mindy McKay from the Department of Public Safety spoke to the fiscal impact of the bill, which is limited to one-time information technology (IT) programming so the Repository computer system is able to capture and make the information available in real time. The unsolicited fiscal note provided by Ms. McKay indicated \$44,522 in one-time costs would be needed in FY 2021-2022 only. If

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the Committee wishes to pass this bill with the General Fund appropriation, an amendment would need to add the \$44,522 in General Fund appropriations to fund the IT programming developer costs in FY 2021-2022.

If the Committee is interested in funding this, Fiscal staff would recommend that the funding be included from FY 2020-2021, since it is a one-time cost rather than an ongoing cost.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 147 WITH FUNDING FROM FY 2020-2021.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION PASSED. (SENATOR SEEVERS GANSERT WAS EXCUSED FOR THE VOTE.)

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CHAIR BROOKS:

I will open the work session on S.B.175.

**SENATE BILL 175 (1st Reprint)**: Enacts provisions relating to lupus. (BDR 40-8)

MR. HAARTZ:

This bill seeks to establish a lupus registry to align with the National Lupus Registry. Senator Neal presented this bill on May 3. Staff from the Division of Public and Behavioral Health (DPBH), DHHS, spoke to the fiscal note. The costs are based upon developing the registry and educating providers on reporting in case abstraction. There was support from one individual representing the Nevada Rare Disease Advisory Council; there was no testimony in opposition or neutral. Unlike previous bills, Fiscal staff notes that it contains a General Fund appropriation in section 14, subsection 1. This appropriation matches the Division's fiscal note. Included in the bill are General Fund appropriations of \$87,593 in FY 2021-2022 and \$112,485 in FY 2022-2023.

SENATOR DENIS MOVED TO DO PASS S.B. 175.

SENATOR CANNIZZARO SECONDED THE MOTION.

THE MOTION PASSED. (SENATOR SEEVERS GANSERT WAS EXCUSED FOR THE VOTE.)

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CHAIR BROOKS:

I will open the work session on S.B. 185.

**SENATE BILL 185**: Makes an appropriation to the Department of Veterans Services to provide financial assistance and support for the Adopt a Vet Dental Program. (BDR S-381)

MR. HAARTZ:

This bill was heard on March 29 and was presented by representatives from the Adopt-a-Vet Dental Program, as well as representatives from Truckee Meadows Community College's dental hygiene program. Section 1 of the bill contains a General Fund appropriation of \$250,000 in FY 2021-2022 and \$250,000 in FY 2022-2023.

SENATOR DENIS MOVED TO DO PASS S.B. 185.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR BROOKS:

I will open the work session on S.B. 198.

**SENATE BILL 198 (1st Reprint)**: Provides for the regulation of on-demand pay providers. (BDR 52-847)

MR. HAARTZ:

This bill was heard on May 17 and was presented by Senator Cannizzaro. Sandy O'Laughlin, the Division of Financial Institutions (FID) Commissioner, presented information and spoke in the neutral position. There was no testimony in opposition.



There is a fiscal note from the FID that nets to zero. The FID notes it would need a new financial institutions examiner position, which would be funded with fees as a result of regulating on-demand pay providers. The position would therefore be self-funding, and no appropriation is needed.

SENATOR SEEVERS GANSERT:

My understanding was that there might be an amendment coming on this bill.

SENATOR CANNIZZARO:

I do not have another amendment on this bill.

SENATOR KIECKHEFER:

I will vote no today but reserve my right to change my vote on the Floor.

SENATOR SEEVERS GANSERT:

I will do the same.

SENATOR DENIS MOVED TO DO PASS S.B. 198.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION PASSED. (SENATORS GOICOECHEA, KIECKHEFER AND SEEVERS GANSERT VOTED NO.)

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CHAIR BROOKS:

I will open the work session on S.B. 211.

**SENATE BILL 211 (1st Reprint)**: Establishes requirements relating to testing for sexually transmitted diseases. (BDR 40-563)

MR. THORLEY:

This bill was presented by Senator Harris. Mr. Young from DHCFP explained the fiscal note submitted by the Division. There was a question from the Committee about the testing costs for HIV versus other sexually transmitted diseases. That information was provided by the DHCFP yesterday and forwarded to the Committee members yesterday evening.

There was discussion about how the fiscal note was calculated and whether reduction in HIV spread was assumed. Mr. Young testified that it was not; they anticipate long-term cost savings down the road related to this measure, though no immediate cost savings can be tied to the bill. The fiscal note was a total of \$376,894 over the 2021-2023 biennium. The General Fund portion of that is \$46,505. Broken out, that would be \$25,074 in FY 2021-2022 and \$21,431 in FY 2022-2023. If the Committee wishes to pass this bill, an amendment would be needed for those amounts.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 211.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR BROOKS:

I will open the work session on S.B. 233.

**SENATE BILL 233**: Makes an appropriation relating to health services in underserved areas. (BDR S-931)

MR. THORLEY:

This bill makes an appropriation to the Governor's Office of Finance for allocation to the Nevada Health Service Corps for the purpose of obtaining matching federal funds for the program. The appropriation in the bill is \$250,000 in each fiscal year of the 2021-2023 biennium

SENATOR DENIS MOVED TO DO PASS S.B. 233.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR BROOKS:

I will open the work session on S.B. 310.

**SENATE BILL 310 (1st Reprint)**: Makes an appropriation to the Nevada System of Higher Education and requires the disbursement of certain federal money in certain circumstances to enable the College of Southern Nevada to assist and carry out the NV Grow Program. (BDR S-570)

MR. THORLEY:

The bill was presented by Senator Neal, who explained that the operating expenses of the program are approximately \$200,000 and salaries are an additional \$200,000. Section 1 of the bill makes an appropriation of \$400,000 from the General Fund to the College of Southern Nevada for the NV Grow Program.

There was discussion about section 4 of the bill, which was added by Amendment No. 234. Section 4 would require the disbursement of \$200,000 in federal funding related to the Covid-19 pandemic for the NV Grow Program. Senator Neal has submitted a conceptual amendment ([Exhibit B](#)) that strikes the additional \$200,000 disbursement in section 1, subsection 2.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 310.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR BROOKS:

I will open the work session on S.B. 340.

**SENATE BILL 340 (1st Reprint)**: Revises provision relating to the wages and working conditions of certain employees. (BDR 53-573)

MR. THORLEY:

Senator Neal introduced the bill, and it was presented by Marlene Lockard. Testimony was provided that the bill will establish a board of the relevant stakeholders.

The Labor Commissioner submitted a fiscal note requesting funding for a new position but testified that she might be willing to remove the fiscal note as she learned more about the bill. That position would be a compliance audit investigator. Paul Hubert from the DPBH also submitted a fiscal note requesting a management analyst position that he said would be needed to comply with the provisions of the bill. He added that it would be an ongoing position and would need to be funded beyond FY 2021-2022. The total appropriation for these two positions would be \$234,838 in FY 2021-2022 and \$296,204 in FY 2022-2023.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 340.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED. (SENATORS GOICOECHEA, HAMMOND,  
KIECKHEFER AND SEEVERS GANSERT VOTED NO.)

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CHAIR BROOKS:

I will open the work session on S.B. 389.

[SENATE BILL 389 \(1st Reprint\)](#): Establishes provisions governing peer-to-peer car sharing programs. (BDR 43-585)

MR. THORLEY:

The Department of Motor Vehicles (DMV) testified that the fiscal note they had submitted for this bill was still valid. However, subsequent to the hearing, we received an email from the DMV indicating that the amendment adopted for the bill removed the fiscal impact for the DMV.

Melanie Young, director of the Department of Taxation, confirmed that their fiscal note still applies. She reviewed the positions that will be needed to

establish the peer-to-peer program in the bill. She also talked about the staggered start dates of the positions and that the DMV would be requesting two tax examiners, a revenue officer and an auditor to go along with the associated operating costs and IT programming.

With regard to the revenue anticipated to be collected from the Statewide 10 percent tax on shared vehicles, we estimate that the peer-to-peer sharing program based on the provisions of this bill would generate \$750,000 in FY 2021-2022 and \$1 million in FY 2022-2023. This is only the number related to the Statewide 10 percent tax. Based on the information our revenue folks have available to them, they are not able to provide an estimate at this point about the 2 percent rates that would apply in Clark County and Washoe County.

If the Committee wishes to fund the positions requested by the Department of Taxation, the appropriation would be \$374,871 in FY 2021-2022 and \$406,699 in FY 2022-2023.

Senator Neal submitted Proposed Amendment No. 3398 ([Exhibit C](#)).

CHAIR BROOKS:

Senator Neal, does [Exhibit C](#) incorporate all of the policy considerations that were in the Assembly bill that you talked about in your presentation of this bill?

SENATOR DINA NEAL (Senatorial District No. 4):

Yes. It merges Assembly Bill (A.B.) 429 into the tax policy part of S.B. 389.

**ASSEMBLY BILL 429 (1st Reprint)**: Establishes provisions governing peer-to-peer car sharing programs. (BDR 43-861)

CHAIR BROOKS:

Perfect. Thank you for working with the Senate Committee on Revenue and Economic Development to come up with some projected numbers.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED S.B. 389 WITH THE AMENDMENT IN [EXHIBIT C](#) AND THE GENERAL FUND ALLOCATION DISCUSSED.

SENATOR RATTI SECONDED THE MOTION.

SENATOR KIECKHEFER:

I cannot find that amendment. I will vote yes because I think I know what the policy is from discussions I have had about this bill over the Session, but I will reserve my right to change my vote on the Floor until I have had a chance to see the amendment.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR BROOKS:

I will open the hearing on S.B. 22.

**SENATE BILL 22 (1st Reprint)**: Makes various changes relating to correctional institutions. (BDR 16-262)

CHAIR BROOKS:

Before we start, I would like to remind everyone testifying on this bill that this Committee is here to understand the fiscal impact of the bill and to verify its costs, if any. The policy was discussed and debated in the Senate Committee on Judiciary when the bill was heard there and is not our concern today.

SENATOR MELANIE SCHEIBLE (Senatorial District No. 9):

The Nevada Department of Corrections (NDOC) submitted a fiscal note for this bill, and I have discussed it with them. They are here to speak to that and answer questions if needed.

Senate Bill 22 came at the request of NDOC to address an issue that surfaced since the last Legislative Session. With the passage of Marsy's Law, it was necessary for NDOC to comply with the payment of restitution. Finding the right way to deduct funds from wages, deposits and other monies in the accounts of people who are incarcerated has proved to be incredibly challenging. Over the last 16 months, NDOC has implemented a couple of different policies through their *Administrative Regulations* (AR) 258, which created some concerns within the community.

Over the course of the 2019-2020 interim, numerous family members of people who are incarcerated came to the Administrative Committee on the Access to Justice, to the Committee to Conduct an Interim Study of Issues Relating to

Pretrial Release of Defendants in Criminal Cases, to me personally, to NDOC and to the State Board of Parole Commissioners with this issue. The concern was that the new structure of deductions meant that funds were being deducted from the deposits family members were making into their loved ones' accounts at a rate of 90 to 100 percent. Funds were deducted for restitution, then for administrative costs for NDOC, then for child support and other obligations. This state of affairs was simply untenable.

In response, NDOC brought a proposal to the table to ameliorate the problem, and S.B. 22 was the result. The Department was not prepared to agree to a particular cap in statute, preferring to do that through regulation. That also presented some problems because the Senate Committee on Judiciary wanted to see more specific deductions and understand better what people who are incarcerated can expect to see deducted from their accounts.

Through that process, I worked extensively with family members of incarcerated people and NDOC to come up with Amendment No. 349, and the bill was amended and passed by the Senate Committee on Judiciary on April 9. That amendment represents a hard-won consensus between the parties, even if it was not a perfect agreement. It is not perfect because NDOC was unable to agree to a particular statutory rate cap on these deductions. We had a robust discussion about it and determined that it was important to include a cap on deductions from inmate accounts. We determined that the cap should be 25 percent on contributions from family members and 50 percent on wages earned by inmates. Those numbers were not chosen out of the blue and are slightly higher than NDOC's current policy but lower than some of the other numbers we projected, which would still have resulted in nearly 100 percent deductions from inmate accounts if they owed both restitution and other administrative fees, costs and so on.

The bill before you now represents an agreement that everybody could live with. Based on my analysis, S.B. 22 would allow NDOC to deduct enough money from offenders' accounts to pay for restitution and the other fees and fines that are imposed on them without having to significantly undercut their bottom line.

I was surprised to see the latest fiscal note on this bill and asked the ACLU to testify because they are more familiar with the process and the history of AR 258 than I am. To be clear, we are talking about the situation when people

who are not in custody send \$200 to a loved one who is incarcerated. That person does not get \$200 cash; rather, they get \$200 credit in their account to buy ramen and deodorant at the commissary. In fact, though, they do not actually get \$200 credit; they get \$200 minus whatever NDOC takes for restitution, fines and fees, administrative costs and so on. This time last year, families realized that when they sent a loved one \$100, the inmate was only getting \$10. For that reason, a lot of families simply stopped making deposits at all. That means NDOC is now getting zero.

We are suggesting a model where the cap would be set at 25 percent. If a loved one deposited \$100 into an inmate's account, NDOC would get \$25 toward restitution and the inmate would get \$75, out of which administrative fees and costs could be taken. The only thing we are capping is the amount taken for restitution.

NICHOLAS SHEPACK (American Civil Liberties Union of Nevada):  
I will try to explain NDOC's fiscal note.

The most recent fiscal note from NDOC is dated April 28. At the top of page 3, it says "Current percentage," and it reduces reimbursement from 50 percent to 10 percent. That is an old regulation. The actual changes NDOC is proposing can be seen at the bottom of page 3.

Senate Bill 22 does not require that NDOC set deductions at any specific percentages. It just caps deductions from deposits at 25 percent, and then deductions from wages at 50 percent.

What NDOC seems to be proposing in the April fiscal note is to reduce NDOC reimbursement from 20 percent down to 10 percent for 100 percent of the prison population. That is not necessary for 84 percent of the population because only something under 16 percent owe restitution. If NDOC is able to collect 25 percent of any family deposit, they will be able to maintain the same deduction scheme you see on the bottom left of page 3, for those who do not owe restitution. However, they are changing it for everyone. The April fiscal note shows a huge amount of lost money when it should only be a small percentage of the population that is affected by this cap.

On top of that, we know that families, whose deposits are being deducted at a rate of 83 percent, are just not sending any money for deposit. That means



NDOC is getting 20 percent of nothing. Even at 10 percent, we anticipate an increase in deposits for people who owe restitution.

The April fiscal note represents a decision that could be made internally by NDOC. This bill does not require this deduction scheme at all; this is something NDOC has come up with. We suggest NDOC create separate deduction schemes for people who owe restitution and people who do not.

There was an earlier fiscal note dated January 29 that was based on the original version of S.B. 22. The original bill had no caps on deductions, and that was based on internal policy. In order to come into compliance with Marsy's Law, NDOC changed the deduction schemes on the AR 258 in September 2020. However, the Board of State Prison Commissioners did not accept it. They came back at the beginning of 2021 with the deduction scheme in the January fiscal note. Again, that is internal policy and does not have anything to do with the bill. If you do not pass S.B. 22, the budget deficit from the January fiscal note remains the same because it is internal NDOC policy, not legislation from this body.

I can explain any of that in more detail if desired.

CHAIR BROOKS:

Is there anyone from NDOC on the line who can answer some questions?

VENUS FAJOTA (Chief, Purchasing and Inmate Services, Nevada Department of Corrections):

The amended bill implemented caps on payroll deposits posted to inmate accounts. Based on that and evaluating what we are currently allowed to deduct statutorily, we had to make adjustments to the percentage of the existing deductions that would be applied. The majority of the fiscal impact is because of the lower amount of room and board we are able to collect from wages. We take anywhere from 24.5 percent to 55 percent based on where an inmate is housed. Because of that total cap, we have to reduce that deduction.

CHAIR BROOKS:

Considering the testimony we just heard and the model you created in the April fiscal note, it seems as if you might be applying that percentage to the entire prison population instead of just the percentage who pay restitution. What

would it do to your fiscal note if you applied it only to those who owe restitution?

MS. FAJOTA:

You are correct; we did apply these percentage deductions across the board. We wanted to make sure the deductions were as consistent and equitable as possible. We want to make sure offenders and staff understand what the deductions are.

The April fiscal note includes some General Fund impacts as well as impacts to the Inmate Welfare Fund. That is why we are focusing on the room and board deduction, because that is something that offsets General Fund compared to the reimbursement to NDOC.

SENATOR RATTI:

Do we know what percentage of the prison population has a restitution attached to their sentence?

MS. FAJOTA:

It is approximately 17 percent.

SENATOR RATTI:

I need you to revisit that and explain it to me in a different way. I understand the "ease of implementation" argument, but if it only affects 17 percent of the population, why would we apply it to the other 83 percent of the population?

MS. FAJOTA:

Again, we wanted to apply the deductions consistently. As inmates pay off their restitution, other deductions would increase, and that would be confusing.

SENATOR RATTI:

I am probably not familiar enough with the system and how it works, but if you are applying deductions to someone who does not have to pay restitution, where is that money going and what does it get spent on?

MS. FAJOTA:

If the inmates do not owe restitution or any of the other deductions that can be applied, the remainder of the money stays in the inmate's account for them to use at their discretion.

SENATOR RATTI:

I thought you said you were deducting it from their accounts.

Ms. FAJOTA:

We are deducting money from the income they earn.

SENATOR RATTI:

Every financial transaction has two sides on a ledger. The money comes in and goes to the inmate's account; we are deducting 20 percent, but because they do not owe restitution, it just stays in their account. So if that is the flow of the money and it all ends up in their account at the end of the day no matter what, even if they do not have restitution, why would the fiscal note be applied to 100 percent of the population?

Ms. FAJOTA:

We do not say it is a perfect solution. We are open to evaluate this further. Our concern, as it impacts the General Fund, is the room and board that we know we will not be able to collect.

SENATOR RATTI:

What I hear you saying is that you could apply the 20 percent cap evenly, which would allow you to do the implementation in a way that is easy to explain to prisoners. But if they did not have to pay restitution, that money would end up back in their account. I will have to go back to the April fiscal note to understand that piece of it.

Could you articulate in a little more detail how all that impacts the General Fund?

Ms. FAJOTA:

We take a room and board deduction from the inmate's wages, and that deduction is used to offset each facility's operational cost. If they do not receive that room and board revenue, that requires each facility to ask for additional funding.

SENATOR RATTI:

So the concern is they will not be able to make the room and board payment because the money is going to restitution instead. Is that right?

MS. FAJOTA:

It could be going to restitution or any other deduction with a higher priority than room and board.

SENATOR RATTI:

I know that the restitution piece came from Marsy's Law. What does this bill do that reprioritizes deductions in any way that is different from what you already have to do with Marsy's Law? What does this bill do that would then impact our ability to pay room and board with these fees?

MS. FAJOTA:

The bill reprioritizes restitution payments that used to be lower on the priority list. The revision in this bill that implements the cap would not allow us to take as much in deductions as we have been taking.

SENATOR RATTI:

Marsy's Law prioritized restitution to the top regardless of this bill. What else did we prioritize above room and board?

MS. FAJOTA:

The order is victim restitution, Prison Industries fund, and then room and board.

SENATOR RATTI:

Is the Prison Industries decision in this bill different from current policy?

MS. FAJOTA:

No.

SENATOR RATTI:

So what in this bill is different from what Marsy's Law would have done or current policy that would result in a greater impact on the General Fund?

MS. FAJOTA:

Restitution is prioritized. Before, it used to be below room and board. We used to be able to deduct anywhere from 25 percent to 55 percent toward room and board. We anticipate a lesser percentage to apply to room and board.

SENATOR RATTI:

When you applied the reduction in room and board, did you apply it to the entire population or just to the 17 percent who owe restitution?

MS. FAJOTA:

We apply it to all inmates who currently pay room and board, whether they owe restitution or not.

SENATOR RATTI:

But your current policy is to take Prison Industry first, and then room and board, so nothing would change in that in this bill. It is just the 20 percent cap would now affect the 17 percent of the population that pays restitution.

MS. FAJOTA:

If they have a paid position, correct.

SENATOR SEEVERS GANSERT:

It sounds like the fiscal note is specifically related to room and board. Is that accurate?

MS. FAJOTA:

Yes.

SENATOR SEEVERS GANSERT:

It seems that we cannot get an accurate fiscal note because NDOC is charging it against the entire prison population instead of the 17 percent the bill applies to. If room and board is really the only thing generating the fiscal note, maybe that is a set-aside, or maybe you could change the cap.

SENATOR SCHEIBLE:

The room and board deduction comes out of the inmate's wages. The cap we are setting there is 50 percent. What you are hearing is that if someone makes \$2 an hour in their Prison Industries job, NDOC is saying they need to take more than \$1 of that \$2 an hour to cover the inmate's room and board. I think they also just told us they were taking between 20 percent and 55 percent, which was something we discussed with them when we were trying to come up with a cap.

We were not able to come to an agreement on a cap, so we set a cap of 50 percent because we thought it realistically reflected the highest amount they could possibly have to take from the wages earned by an inmate. We could try to calculate the percentage of inmates we would be deducting 5 cents less from in order to pay for their room and board and what the fiscal impact of that would be. I imagine it would be rather low, especially since the wages we pay to people who are currently incarcerated are not very high.

SENATOR CANNIZZARO:

Marsy's Law prioritizes restitution. This bill also changes other items that are typically deducted from the inmate's account. The first deduction would be restitution for the 17 percent of the population that owes restitution, then Prison Industries. We have bumped up the health care, therapeutic community, after care and other deductions pursuant to *Nevada Revised Statutes* (NRS) 209.246. They have now been reprioritized to third and fourth place after Prison Industries. We have taken out the language for genetic marker tests and other fees.

I am also struggling with this. It seems as though there are other things that are bumping everything else that was in the list up a bit, even though we are prioritizing restitution. I still have the same questions Senator Ratti was asking in terms of the portion of the population that is paying actual restitution on a crime, and everyone else who is still subject to these deductions.

The fiscal impact of the bill seems to be based on some of the other pieces here in the fiscal note, where you have outlined what percentage of that deduction is going to these things. I do not know whether it is adding up to how we have reprioritized these other items.

CHAIR BROOKS:

Ms. Fajota, would you like to respond?

MS. FAJOTA:

Excuse me, but could you repeat the question?

SENATOR CANNIZZARO:

We have had a long discussion about the percentage of the population you are deducting from. The bill reprioritizes the deduction that is only taken from the 17 percent who owe individual restitution. You have been talking about taking

deductions from the entire population, 83 percent of whom should not be paying restitution.

Second, you are moving other things around in the priority list. I do not understand how this bill has such an impact when realistically, we are talking about 17 percent of the population that is paying restitution. Why does that mean other items are being bumped up in the priority list?

In the bill, there is language that says the percentage you take from wages or account deposits is an amount deemed reasonable by the Director. Those decisions are being made by all of you as to how much of this goes to each one of these things. How did you get to this fiscal impact when you look at the population subject to Marsy's Law?

MS. FAJOTA:

We wanted to be as consistent as possible on the percentages we were applying. We were concerned that offenders who owed restitution would get charged less for room and board than offenders who do not owe restitution, and that would be perceived as inequity. We felt the best decision at that point was to apply all the deduction percentages consistently.

SENATOR RATTI:

I have a question for Fiscal staff. Is it mechanically possible for us to do an appropriation on this bill that is 17 percent of the fiscal note? The testimony demonstrated that only 17 percent of the population would be affected by the bill. We might then include some back language that says NDOC could come to the Interim Finance Committee (IFC) for more money if they can demonstrate that the General Fund impact has been more than 17 percent.

MR. THORLEY:

If the Committee wishes to include a General Fund appropriation on the bill, it is the Committee's prerogative to make it any amount deemed appropriate. It certainly could be 17 percent of the fiscal note, yes.

Regarding the back language in the Appropriations Act, NDOC has access to the IFC Contingency Account, just like other General Fund appropriated agencies for unexpected shortfalls. You certainly could include back language specific to that, though it might not be necessary. You could even set aside a specific amount in the restricted portion of the Contingency Account for the agency to

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come to the IFC and request access to upon demonstration of certain conditions.

SENATOR RATTI:

Would it make more sense to put that in the appropriation bill than attaching it to S.B. 22?

MR. THORLEY:

Yes. An appropriation from the General Fund to the IFC Contingency Account for restricted purposes would appear in the Appropriations Act.

SENATOR SCHEIBLE:

I did some back-of-the-envelope math, and 17 percent of the amended fiscal note would be \$334,071.33, which is about \$10,000 more than the original fiscal note.

JODI HOCKING (Return Strong: Families United for Justice for the Incarcerated):

I am the founder of Return Strong: Families United for Justice for the Incarcerated: Families United for Justice for the Incarcerated. I am here in support of S.B. 22.

I want to make two points about this bill. I could talk about the catastrophic financial impact this is causing to incarcerated people and to families, but today is about the bottom dollar. Charles Daniels, the director of NDOC, is claiming that not taking up to 83 percent of the money earned and given by families to incarcerated people is going to cost the State \$3 million. That is based on a faulty claim that if the deductions are kept at 25 percent of gifts and 50 percent of wages, there will be no money left for the State to collect room and board, court fees and other monies that go to cover the State budget. That is simply not true. Marsy's Law does not say that other things cannot be collected. It just says restitution has to be paid first. If someone owes other types of deductions, they can still be collected. Nothing in Marsy's Law stops that from happening.

The second point I want to impress on you is about problems with Director Daniels' integrity and truthfulness.

CHAIR BROOKS:

If you are finished talking about the bill, you are done. Thank you for your testimony.



NICOLE TATE (Return Strong: Families United for Justice for the Incarcerated):

I am calling in support of S.B. 22 as amended. While restitution does not affect my personal situation, I have been through these types of deductions before regarding injuries my husband suffered while incarcerated. At that time, if I sent \$100, he got about \$30. That is not sustainable for those on the outside who are unable to afford those basic things and those on the inside who need money for food, hygiene, laundry, clothing and other needs, as well medical bills and copays. It is a great hurt to those on the outside who are trying to fund the basic needs of loved ones on the inside. There are many who cannot afford to send any funds at all, if the current level of deductions continues.

NICOLE WILLIAMS (Return Strong: Families United for Justice for the Incarcerated):

I agree with the previous speaker and ask the Committee to move this bill forward.

DENISE VOLANOS (Return Strong: Families United for Justice for the Incarcerated):

I had not intended to speak on S.B. 22 because I did not see what I could say to the Senate Committee on Finance that would be relevant. Then I thought about my family's finances and how for the past couple weeks I have not slept properly thinking about how many financial issues I am having at this time. I have three kids, two jobs, and an incarcerated husband who is subject to 83 percent deductions of any deposits made by his family. These deductions create an entirely new crisis for incarcerated people and their families.

In addition to my Monday through Friday job, I have a part-time job from home. I recently ordered a \$78 package from Amazon containing office supplies. In my haste, I accidentally had the package sent not to my home but to the prison where my husband is housed. When I noticed the error, I called Amazon, but it was too late to cancel or change the order. I called the prison and let them know what had happened, and I was told, "No problem; we will have the package returned to sender." What I did not know was that my husband's account would have to pay for that return. I was not allowed to pay for it directly; he had to pay \$15 out of his inmate account. For us to afford that \$15 fee, I would need to deposit \$86 because his account is currently at zero, since I have not been able to afford to send him any money for the past few months. In the end, we tossed the package and I reordered the items because it cost less than returning it.

A 25 percent cap on family deposits would make a huge difference to inmates and their families. I was at fault in the situation I described, but I wanted to demonstrate how astronomical these deductions are and how significantly they affect our everyday lives—how a simple mistake that anyone might make ended up costing me nearly \$200. Please pass S.B. 22 as amended.

ADRIAN LOWRY:

I echo the previous speakers in support of S.B. 22 as amended.

The constitutional amendment that was passed by voters known as Marsy's Law specifies that all money collected must first go to victim restitution if the person is required to pay restitution. Marsy's Law obviously has a large impact on NDOC, so they have been throwing all kinds of things out to try to get around or ignore the requirement.

The fiscal impact of Marsy's Law is being wrongly attributed to this bill. Marsy's Law is already in affect, and NDOC already lost that money for NDOC expenses. The Prison Board of Commissioners told NDOC to go back to previous deduction limits, but NDOC did not do this. Instead, they reduced the amount taken for restitution so they could take large amounts on top of that for NDOC expenses.

I do not believe this fiscal note is valid. They are once again trying to undermine Marsy's Law in order to cover their own expenses.

ARELI RODRIGUEZ:

I am in support of S.B. 22 as amended and agree with the previous callers. As an example, an incarcerated friend of mine made \$50 in gross wages. They took \$24.50 for room and board, 5 percent capital fund, 5 percent Prison Industries fund and 10 percent savings, leaving him with \$1.17.

CHAIR BROOKS:

I will close the hearing on S.B. 22 and will open the hearing on S.B. 163.

**SENATE BILL 163**: Provides for the issuance of special license plates to support the Divine Nine organizations. (BDR 43-1018)

MR. THORLEY:

The DMV submitted a fiscal note for S.B. 163 indicating they would need approximately 761 hours of programming, which can be completed in-house.

However, they noted that there are several other bills affecting the programming of their systems, which makes it difficult to estimate the workload accurately. They indicated that they may need an appropriation later in the Session depending on how many of those bills pass. This specific fiscal note is zero dollars.

SENATOR PAT SPEARMAN (Senatorial District No. 1):

You will see that the fiscal impact also included the inability to get it done by October 1. For that reason, we moved the effective date to February 1, which is the beginning of Black History Month.

SEAN SEVER (Administrator, Division of Management Services and Programs, Department of Motor Vehicles):

As Mr. Thorley said, this bill has a zero fiscal impact for us. The affect for us is if we have multiple zero fiscal notes that add up to something in the end for programming, then we will come back to the IFC to ask for reimbursement. We are neutral on S.B. 163.

CHAIR BROOKS:

You say this will require 761 hours of programming. That is half of one full-time equivalent (FTE) just on this one bill. Does the DMV have any open positions? Are you requesting any more positions, or do you have half an FTE to spare? You say you reserve the right to come back to the IFC and ask for more money. Which do you need, positions or money?

MR. SEVER:

This particular bill has no fiscal impact. If there are a bunch of bills that add up to something, we may need to come back. But if this is the only bill that passes, we can absorb the time needed for this particular task. Until we know which bills pass, we cannot answer the question.

CHAIR BROOKS:

I understand the cumulative effect of a lot of small changes. This is a zero fiscal note, and we will take it as such, but this is the last fiscal note I want to see that says you can absorb 761 hours while you are looking for new positions to fill.

MR. SEVER:

We are neutral on S.B. 163. We want to thank Senator Spearman for moving the effective date. We have a very large transformation project coming to the DMV; we are trying to move all our services online.

CHAIR BROOKS:

I will close the hearing on S.B. 163 and open the work session on that same bill.

SENATOR RATTI MOVED TO DO PASS S.B. 163.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED. (SENATOR HAMMOND VOTED NO.)

\* \* \* \* \*

CHAIR BROOKS:

I will open the hearing on S.B. 276.

**SENATE BILL 276**: Imposes a technology fee for the issuance or renewal of certain licenses, certificates, permits and registrations issued by the Real Estate Division of the Department of Business and Industry. (BDR 54-840)

SENATOR MOISES DENIS (Senatorial District No. 2):

Every year, our State's IT becomes outdated. By the time State agencies come to the Legislature to request funding for IT modernization, we run into the issue of trying to find the appropriate funds. Now the pandemic has raised the demands for government work and services in many unexpected and rapidly changing ways. For example, the rapid transition to remote work required more automated business processes so our agencies can operate with minimal paper and office staff. It is also important that these remote capabilities do not compromise IT security or data privacy.

It is quickly becoming clear that older enterprises and processing cannot keep pace with many emerging government needs. As we look ahead to the postpandemic future, we need to acknowledge the revenue decline, which makes it vital to identify every opportunity to control costs and operational

efficiencies. In addition, we need a resilient technology platform to maintain service continuity during unforeseen conditions that stress or disrupt the business environment. The IT modernization needs vary between State agencies, but ultimately it is necessary to leverage technology to meet expanding goals and streamline services offered to residents and consumers.

For these reasons, S.B. 276 imposes a fee specifically dedicated to improving the IT needs of the Real Estate Division, Department of Business and Industry. The bill establishes a \$15 technology fee imposed to each applicant for the issuance or renewal of certain licenses, certificates, permits and registrations issued by the Division.

In addition, the bill creates separate accounts for each of the NRS chapters in the State General Fund administered by the Division. These are NRS 645, real estate brokers and salespersons; NRS 645C, appraisers of real estate and appraisal management companies; NRS 645D, inspectors of structures and energy auditors; NRS 645H, asset management companies and asset managers; and NRS 119A, time shares. Any interest and income earned must be credited to the accounts, and any remaining balance in the account does not revert to the State General Fund.

Finally, the bill requires the money collected from the technology fee to be deposited in the respective account governing professions or occupations and to be accounted for and used for acquiring or improving the technology used by the Division for administering the respective professions.

During the pandemic, we have seen real estate prices going up. The forecast is that is going to continue to happen for the next five years. With that, we have seen an increase in real estate salespersons and brokers. The need to have technology that can meet the needs of the current industry is what brought the industry forward to ask for this measure. The fee is needed to keep the technology up to date.

One way the improved technology will be used has to do with the continuing education required of real estate salespeople. When licensees take classes, they have to keep physical copies of the certificate showing completion of the class because the schools cannot submit this information digitally. Every salesperson has to keep track of classes and submit the information physically. Trying to

make it more efficient for the profession is what the technology fee is going to allow them to do.

CHAIR BROOKS:

Mr. Chandra, it looks like the bill is revenue neutral; the fees equal the expenses. Do you feel the fees are needed and could be beneficial to the agency?

SHARATH CHANDRA (Administrator, Real Estate Division, Department of Business and Industry):

This fee would definitely be beneficial. It is a net revenue for the Division that will be used by the Division to enhance our technology. The fiscal note was describing what that analysis looks like.

I wanted to make the point that we have a two-year renewal cycle. The fee would only be applied once every two years. That generates about \$250,000 annually.

ROCKY FINSETH (Nevada Association of Realtors):

The industry is in full support of S.B. 276 and have in fact been asking for it for several sessions.

CHAIR BROOKS:

I will close the hearing on S.B. 276 and open the hearing on S.B. 295.

**SENATE BILL 295 (1st Reprint)**: Revises provisions relating to industrial insurance. (BDR 53-996)

MR. THORLEY:

There are several fiscal notes attached to S.B. 295. I would call your attention to the two fiscal notes from the Department of Administration, Risk Management Division. They submitted an unsolicited fiscal note on the bill as introduced and a subsequent unsolicited fiscal note on the first reprint. This note relates to the language in the bill that indicates insurers may not terminate, suspend, withhold, offset, reduce or otherwise halt, restrict or limit the payment of compensation for permanent and total disability (PTD) to certain injured firefighters, arson investigators, police officers or emergency medical attendants or their dependents on the basis that the injured employee earns income. There

are projections provided by the Division in the fiscal note. They estimated a total fiscal impact of about \$800,000 over the 2021-2023 biennium.

SENATOR NICOLE J. CANNIZZARO (Senatorial District No. 6):

This bill in its first reprint specifies that members of police and fire departments who have heart and lung claims and who qualify for PTD status—and that is the specific and narrow category of people we are talking about—will not have a reduction in their benefits if they have outside employment.

The gist of the bill in its simplest terms is that a lot of these employees who have those qualifying heart and lung issues related to their police or fire service are often capable of doing another job even with PTD. That is, they developed the heart or lung trouble as a result of their employment and are no longer physically capable of meeting the requirements necessary to continue as police or firefighters. This bill seeks to clarify that their PTD benefits cannot be reduced simply because they have an outside stream of income. Currently, that is how the law is being read and applied.

We had an opportunity to speak with the Department of Administration to walk through its fiscal notes. As the bill was originally drafted, it included all employees. We amended it to be specific to police and fire heart and lung claims only. We thought it was interesting that the Department's first fiscal note had a much lower fiscal impact than it did after we restricted it to police and fire heart and lung. Our understanding is that the 27 employees identified in the second fiscal note are currently being paid their full benefits and have been since 2001. This bill would ensure that they continue to receive full benefits.

My understanding of the second fiscal note is that S.B. 295 would not have an immediate fiscal impact because those 27 claimants would still be receiving the same benefits they are receiving now. The Department feels that if it had additional staff to conduct investigations, it might find that some of these individuals are currently earning outside income and would use that information to reduce their benefits.

That was one piece of the reasoning for the fiscal note. The second piece was that the Department believes that putting this language into statute and clarifying what we believe is current practice, other individuals who would qualify for heart and lung would seek outside employment, and the Department

would not be able to reduce those benefits. There is a future value to the taxpayer impact.

After our conversations, there was some communication with the Department. There is no immediate fiscal impact because the 27 employees who have been receiving these benefits for the last 20 years will continue to do so regardless of the passage of S.B. 295. The only difference is that if the bill passes, they will continue to receive those benefits regardless of their employment status. The bill would also mean full benefits for any future police or fire heart or lung claims that are approved for PTD.

That is a brief walkthrough of the bill and its intent, and my best explanation of the fiscal note. Again, our understanding is there is no fiscal impact currently because the bill does not change how these benefits are currently being administered.

TODD INGALSBEE (Professional Fire Fighters of Nevada):

Senator Cannizzaro summed it up perfectly. This issue was brought to us because we have had some third party claims against our members, and we are not sure what statute they are using to justify their claims.

CHAIR BROOKS:

Ms. Freed, could you explain the Department's unsolicited fiscal note dated April 23? I see the calculations and assumptions, but I do not understand. You are paying these 27 claims right now, and I do not see how this bill will cause any change in that. I am struggling to understand your justification for either of your fiscal notes.

LAURA FREED (Director, Department of Administration):

We submitted the fiscal note because S.B. 295 would not allow the State through its third party administrator (TPA) to eliminate reserves for PTD for police and fire should claimants gain employment after electing PTD.

The State currently has a fully funded high deductible plan, where the State pays dollar for dollar on claims until the retention is met, and that is \$2 million. Permanent total disability claims for police and fire are some of the most expensive claims we pay. We have outstanding reserves for PTD compensation of about \$6.3 million that we have to maintain. Senator Cannizzaro is right; there are 27 claims where a police officer or firefighter has elected PTD right



now. We currently have 33 open claims for heart and lung that have not elected PTD. If S.B. 295 passes, we assume some of those claimants will elect PTD.

Heart and lung claims are one of our largest unsecured liabilities. That correlates to our exposure, which affects our premium and our collateral required. This comes down to rates. You are right when you say the State is already going to spend the money on heart and lung PTD benefits that were elected by police and fire. However, we interpret the current statute, NRS 616C.440, subsection 3, to mean that if claimants get other jobs after electing PTD, that jeopardizes their benefits.

As I told Mr. Ingalsbee, the Risk Manager and the TPA have discussed with the bill's sponsor that those employees have confirmed they knew their benefits would be reduced if they got a different job. If the Department were able to investigate cases where we suspect a person was working in another occupation after electing PTD, we would reduce or even eliminate the benefits based on NRS 616c.440, subsection 3. We do not have those resources; the Risk Management budget has seven people in it.

Preventing us from reducing benefits under S.B. 295 would commit the State to those expenditures with no possibility of reducing them. That is where Senator Cannizzaro's comment about taxpayer value comes in. If claimants understood that they would not be subject to reduced benefits if they obtained work after electing PTD, we would expect more people to elect PTD.

Regarding the fiscal impact of the bill, I agree that it would likely have no fiscal impact in FY 2021-2022 and FY 2022-2023. The real effect will come in future biennia as heart and lung costs increase overall and we have to obtain more expensive worker's compensation (WC) policies. It will affect the rates for WC that are charged to other agencies in future biennia.

JASON MILLS (Nevada Justice Association):

The issue is that the right to offset or reduce PTD benefits does not exist in current law. The statute cited, NRS 616C.440, subsection 3, states that in the event an insurer can show that the person no longer has the condition for which they are suffering under for PTD benefits, the insurer can withdraw those benefits. For example, if the insurer was able to prove that the heart disease was gone and the claimant can go back to being a firefighter, the insurer could

stop the PTD benefits. But if the heart disease is still there and the person cannot be a firefighter, working at Walmart does not take the benefit away.

Senator Cannizzaro, Mr. Ingallsbee and I believe there is no law that currently allows insurers to do this. The clarification or codification in S.B. 295 does not result in any fiscal impact because it already cannot be done.

CHAIR BROOKS:

That is the pivotal point in this conversation. If it is not legal to claw back benefits on PTD cases, what is the potential loss that is being calculated in this fiscal note? That is what it comes down to. Ms. Freed, has your plan ever clawed back any PTD benefit, based on the statutes as you understand them, because a person with PTD got a new job?

MS. FREED:

I would like to note that Mr. Mills and the lawyer for our TPA disagree on this point of law. We had a spirited discussion about it. Our TPA stands firm that it is legal to terminate benefits based on NRS 616C.440 subsection 3. We do not think he is alone in that. We know there is a case pending before the Nevada Supreme Court out of a jurisdiction in southern Nevada where they did not claw back benefits.

The Department of Administration has not done this, but only because we do not have the resources to investigate.

SENATOR CANNIZZARO:

The salient point is that it is a policy decision.

From a practical perspective and for this Committee's concerns with respect to the fiscal note, S.B. 295 does not change what is currently being paid out. If the issue is higher WC rates because of increased expense for heart and lung claims, the point was made that it seems to be related to the cost of health care. Certainly, when we are talking about police and firefighters who elect to take PTD benefits because of heart and lung, it is because a doctor has come in and said, "You can no longer work this job because you do not meet the physical requirements." Sometimes that happens at year 35 when they are retiring; sometimes that happens at year 10 when they just begin their career. They cannot do that particular job anymore, but being a greeter at Walmart would be a perfectly fine job for them.

Currently, clawbacks are not taking place for these employees. They do not take place for the 27 employees who have elected PTD over the last 20 years. From a fiscal impact standpoint, we do not think this bill would change any of the money the State is currently paying to these individuals.

TOM DUNN (Professional Fire Fighters of Nevada; City of Reno Firefighters; Reno Airport Firefighters Association, IAFF Local 731):  
We support S.B. 295 and the proposed amendment.

It is important to clarify that this bill does not increase any existing benefit. In order to qualify for this benefit, a police officer or firefighter has to be diagnosed by a physician with heart or lung disease that developed during the course and scope of their employment. You either have heart or lung disease or you do not. More than likely, the physician has told the employee that he or she can no longer work as a police officer or firefighter and has placed them on a work restriction. Only then can the employee select PTD under NRS 617.455 or NRS 617.457.

I have been working on firefighter issues and health and safety, cancer, heart and lung for the last decade, and I am not aware of a single heart and lung claim where a police officer or firefighter had to retire with a heart and lung diagnosis, had their disease reverse during retirement, and been eligible to return to full duty.

Regarding the comment about NRS 616C.440, if you have employers or TPAs who are clawing back or reducing or delaying a benefit, it is my opinion that it is a violation of State law. Maybe next Session we should address that with some sort of penalty or additional clarification about what is allowed under the law.

I testified on S.B. 295 at the Senate Committee on Commerce and Labor meeting on April 2, and my testimony at that time still applies.

BILL GARDNER (Firefighters of North Las Vegas):

This bill is extremely important for us. When people are declared permanently disabled, in addition to the benefits being paid out, there is also a reduction in the hours they would normally work. It is important to remember how many hours firefighters work compared to the average 40-hour workweek. When they are no longer physically able to work as firefighters, they sometimes find it

necessary to supplement their income to maintain the status quo by doing something that is not as physically demanding.

Please support S.B. 295 and pass it out of Committee.

RYAN GREEN (Professional Fire Fighters of Nevada; Reno Airport Firefighters):

I support this bill and encourage you to pass it. It is unfortunate when members suffer something so devastating that they can no longer work. It is even more devastating when we thank them by putting them in a detrimental position for the rest of their lives because they cannot hold down the job at the level they once did.

CORY WHITLOCK (Professional Fire Fighters of Nevada; Las Vegas Firefighters, Local 1285):

I am in support of S.B. 295 and echo the sentiments of my colleagues who spoke before me. This bill is extremely important to all firefighters across the State.

KENT ERVIN (Nevada Faculty Alliance):

We support this bill and the principle of long-term disability insurance. This benefit needs to cover the income for firefighters, as well as all State employees who can no longer work because of a permanent disability.

SHAUN MENG (Nevada Self-Insurers Association):

We are in opposition to S.B. 295. I have heard the testimony from Mr. Mills and Senator Cannizzaro, and I respectfully disagree with some of their analysis as to the purpose of the Industrial Insurance Act and PTD benefits under that Act. These PTD benefits are obtained by either electing them and representing that you are permanently and totally disabled, or by having a physician report that indicates the same. This is different from a permanent partial disability, in which you may have restrictions and be unable to perform your job. In a PTD situation, the person is unable to perform any job. That is what is indicated by the report from the physician, and that is what is being indicated when claimants elect to receive those benefits under the heart and lung bill.

It is counterintuitive and outside of any reasonable reading of the statute in the Industrial Insurance Act to suggest that someone who is permanently, totally disabled and receiving benefits to replace wages should be able to go out and get another job. We agree with the Department of Administration, and we

believe that the other municipalities in the State did not have a sufficient basis to analyze the true extent of the fiscal impact of this measure. The impact will be twofold. First, you will have individuals who are currently working and not receiving PTD benefits who will go out and request to obtain those PTD benefits since they can now have both wages and PTD benefits. Second, you will have a greater impact on current PTD cases. A substantial number of those in southern Nevada have been prevented from receiving PTD benefits because they have new jobs. They will now be able to receive them again.

We agree with the fiscal analysis of the Department of Administration. We ask that you do further investigation and allow other municipalities to amend their fiscal notes on this measure.

JUSTIN HARRISON (Clark County):

We are opposed to S.B. 295. The fiscal impact on Clark County is unknown since there is no way to determine how many future PTD claims may arise. Currently, Clark County is obligated to pay nearly \$200,000 per month in PTD payments, which is roughly \$2.4 million per year. I echo the comments of Mr. Meng and the Department of Administration.

CHAIR BROOKS:

I will close the hearing on S.B. 295 and open the hearing on S.B. 297.

**SENATE BILL 297 (1st Reprint)**: Revises provisions relating to agriculture.  
(BDR 22-480)

MR. THORLEY:

There is a fiscal note from the Division of State Lands, State Department of Conservation and Natural Resources. It specifically applies to provisions in the bill that relate to the ability of the Division to lease State lands based on fair market value and charge a fee for that. The Division has indicated that this provision will negatively impact their ability to collect those fees. They estimate a reduction in lease fee revenue of approximately \$38,000 in each fiscal year of the 2021-2023 biennium. They also indicate there will be personnel and operating costs associated with the bill. Those are estimated at \$35,000 in each year of the biennium.

SENATOR SPEARMAN:

Those of you who have been here for three or four Sessions know that our former colleague, Joyce Woodhouse, brought a bill every Session having to do with food security. Last Session, she had a bill that created the Food Security Council. We also had bills from William McCurdy III, one in 2017 and one in 2019, that dealt with food.

There is a direct correlation between food deserts and the comorbidities existing in Black, Indigenous and People of Color (BIPOC) communities that make us more susceptible to Covid-19. This bill creates an opportunity for those communities to create community gardens, which will both feed the community and create job opportunities in these urban farms. They would be the same principle as community gardens but larger, and the produce grown there would be sold in the community. This will be an answer to years and years of people saying, "We need grocery stores; we need stores where we can afford to buy food." In many BIPOC neighborhoods, there are fast food restaurants, but no grocery stores. The food they can afford and reach is not good for them, and the food that would be good they cannot afford or reach. I was driving in my district up Aliante Parkway and saw a family coming out of a Smith's grocery store. The adult was carrying two bags of groceries, and each child was carrying a bag, and they had one bag balanced on a skateboard. That was how they were getting groceries from the store to their house.

This bill provides an opportunity for people to eat well so they can get well.

I have a conceptual amendment ([Exhibit D](#)) that deletes section 8.5 of the bill. This removes State lands from the bill, so the U.S. Bureau of Land Management is no longer in the bill. That eliminates the fiscal note.

CHARLIE DONOHUE (Administrator, Division of State Lands, State Department of Conservation and Natural Resources):

I have been in communication with Senator Spearman. We are neutral on S.B. 297. The Division has no problem removing the fiscal note once the amendment is approved.

JOLENE COOK (Reno Food Systems):

I am calling in support of S.B. 297. I am a ward officer with Reno Food Systems, and I have seen what an amazing impact a small group of committed people can make on an underutilized plot of land. We lease five acres from

Washoe County that was not being used at all, and now we have put almost all five acres into production and have a weekly farm stand. It is a beautiful operation and a real testament to how much a small committed group of people can do. We would love to expand our mission and get more support.

CHAIR BROOKS:

I will close the hearing on S.B. 297 and open the hearing on S.B. 341.

**SENATE BILL 341 (1st Reprint)**: Revises provisions relating to health care.  
(BDR 40-62)

MR. THORLEY:

There are a handful of fiscal notes attached to this bill. The DHCFP submitted a fiscal note on the original bill indicating that the fiscal impact could not be determined. After the bill was amended, the DHCFP submitted an unsolicited fiscal note indicating the bill would have no fiscal impact. The Division of Public and Behavioral Health (DPBH) also submitted an unsolicited fiscal note on the first reprint indicating a fiscal impact. However, yesterday we received an email from Julia Peek at DPBH ([Exhibit E](#)) indicating that with the amendment in that email, their fiscal note would go to zero.

SENATOR SPEARMAN:

This bill implements some critical areas of support for health care in BIPOC communities. One of the best things it does is help us to further memorialize the work that our former colleague, Tyrone Thompson, did with reestablishing the Office of Minority Health and Equity.

I have incorporated the amendment in [Exhibit E](#) into a proposed conceptual amendment ([Exhibit F](#)) that removes the DPBH fiscal impact.

KELLY GOSS (Dialysis Patient Citizens):

Thank you for letting me testify in support of S.B. 341. This bill would create a kidney disease prevention and education task force with the purpose of raising awareness, educating and conducting outreach aimed at populations who are most at risk of developing kidney disease and end-stage renal disease. This would be a fantastic opportunity to create a public-private partnership with stakeholders to address kidney disease, which disproportionately affects the BIPOC population. The goal is to reduce health disparities, improve patient outcomes and lower healthcare costs.

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BARRY GOLD (AARP Nevada):

We are strongly in support of S.B. 341. This bill will save money in the future by reducing health costs, and by making sure people get the appropriate health care they need and deserve.

JULIA PEEK (Deputy Administrator, Community Health Services, Division of Public and Behavioral Health, Department of Health and Human Services):

We are neutral on S.B. 341 with the amendment in [Exhibit F](#).

SENATOR KIECKHEFER:

It looks like you are amending S.B. 302 into this bill. Is that correct?

[SENATE BILL 302](#): Revises provisions relating to governmental administration.  
(BDR 18-171)

SENATOR SPEARMAN:

Yes. We took some items out of S.B. 302 and put them in S.B. 341. It did not create an additional fiscal note.

CHAIR BROOKS:

I will close the hearing on S.B. 341 and open the work session on S.B. 297.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 297 WITH THE AMENDMENT FROM SENATOR SPEARMAN.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:

I will open the work session on S.B. 341.

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 341 WITH THE AMENDMENT FROM SENATOR SPEARMAN.

SENATOR DENIS SECONDED THE MOTION.



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SENATOR KIECKHEFER:

That amendment has a ton of public policy in it that I have not had a chance to look at or think about. I will vote no.

SENATOR SEEVERS GANSERT:

I will vote yes but reserve my right to change my vote on the Floor.

SENATOR HAMMOND:

I will vote no but reserve my right to change my vote on the Floor.

THE MOTION PASSED. (SENATORS KIECKHEFER AND HAMMOND  
VOTED NO.)

\* \* \* \* \*

CHAIR BROOKS:

I will open the hearing on S.B. 420.

**SENATE BILL 420 (1st Reprint)**: Revises provisions relating to health insurance.  
(BDR 57-251)

MR. THORLEY:

We reached out to several agencies requesting a fiscal note on S.B. 420, pursuant to statute. The DHCFF fiscal note indicates the total computable impact of the bill is \$75.5 million over the 2021-2023 biennium and \$103.7 million over future biennia. However, the General Fund portion of that would be \$26.2 million in the 2021-2023 biennium and \$39.8 million in future biennia. This fiscal note includes quite a few details about the assumptions and what went into the development of their numbers, staffing needs and so on.

The Silver State Health Insurance Exchange fiscal note indicates the majority of the impact would be on future biennia. For the upcoming 2021-2023 biennium, the impact would be about \$500,000 related to carrier onboarding and waiver development. They estimate \$9.9 million in future biennia.

The Division of Welfare and Supportive Services (DWSS), DHHS, submitted a fiscal note that estimates a fiscal impact of \$1.3 million in FY 2021-2022 only.

SENATOR NICOLE J. CANNIZZARO (Senatorial District No. 6):

This bill establishes the Nevada public option and also includes some Medicaid pieces. It seeks to address the ongoing costs of health care and the number of Nevadans who remain persistently uninsured, despite the fact that we have implemented the Affordable Care Act (ACA) and are one of the Medicaid expansion states. We have a persistently high uninsured rate of around 11 percent of uninsured individuals in Nevada. The public option seeks to establish an insurance plan that would be offered both on and off the Exchange. That plan would combine the State's purchasing power to drive down the cost with premium reductions. In addition, the State has the ability to apply for federal waivers and other dollars to further drive down costs. This is for Nevadans who are looking to purchase health insurance but who cannot afford to buy it on the Exchange and do not qualify for Medicaid. It would be available to both individuals and small groups.

From our perspective, this came as a result of looking for solutions to increased healthcare costs that result in individuals not being able to afford insurance. Notably, the most recent effort was Senate Concurrent Resolution No. 10 from the 80th Session, where we put together an actuarial analysis to look at the feasibility of establishing such a public option.

That is a high-level, brief overview of the public option, which is one piece of S.B. 420. The second piece of S.B. 420 includes a variety of other services and Medicaid expansion to increase access to care for pregnant women and postpartum care. This includes services like lactation consultants, community health workers and doulas services. It also increases the number of moms who would qualify for prenatal care and genetic testing. The whole goal of that policy piece is to provide better care, both prenatal and postpartum, for moms and babies so that we can have better health outcomes.

You will see those two pieces of S.B. 420 reflected differently in the fiscal notes. Some will speak directly to the public option, others will relate to the Medicaid changes for prenatal and postpartum care.

We submitted Proposed Amendment 3409 ([Exhibit G](#)) to tackle some issues that were raised after the bill was heard in the Senate Committee on Health and Human Services. There is a process in the bill to apply for federal dollars, part of which would include waivers. We heard some concerns from providers, hospitals and businesses that actuarial analysis should be required. It is required

for certain waivers, but we wanted to make that language expressly clear. We agreed to an amendment to ensure actuarial analysis that takes place before we go to procurement, to make sure the solution fits the problem. This will require the actuarial study to be completed prior to the submission of those waivers.

In addition, [Exhibit G](#) requires that the actuarial study consider the impact on the market premiums without the participation requirements for healthcare providers, as outlined in section 13 of the bill as it was originally put together. You will also see that the waiver application that was described could not be used to seek a waiver of any eligibility rules for those who would qualify under the ACA to purchase a qualified healthcare plan and receive advanced premium tax credits on the Exchange.

We have been in conversations with the DHHS regarding the Medicaid piece. We believe there may be some opportunities for some federal funding at some point, but we wanted to include that language in the bill as well. I think the DHHS and either Mr. Young or Ms. Bierman should be available as well as we talk through some of those pieces.

In addition, we have submitted a small conceptual amendment ([Exhibit H](#)) that includes some changes not in [Exhibit G](#). We want to make sure the actuarial study considers the impact on the market premiums. We added some clarification language for the premium reduction, which is 15 percent. We wanted to make sure it was at least 15 percent lower than the average second lowest market premium.

As you will have noted, there are a number of fiscal notes. We have been in conversations with the submitting agencies, and some of the fiscal notes do not reflect the changes made in the Senate Committee on Health and Human Services or the changes in [Exhibit G](#). For example, one of the bigger changes we made in the Senate Committee on Health and Human Services was the date we would go into procurement for the plan year.

I believe that those amendments and the new amendment in [Exhibit G](#) will result in a lower fiscal impact for the bill, both for the public option piece and for the Medicaid piece.

SENATOR SEEVERS GANSERT:

I know the goal is to get access to care for more people. It is my understanding that Nevada has quite a few people who are eligible for Medicaid who are not enrolled. I do not know if there is a way to try to help people get access. The fiscal note is substantial, though the federal match will help. The first stop is probably looking at Medicaid.

I am also concerned about the supply side of this equation, whether it is facilities or providers. Right now we have a hard time having people seen in offices because of our rates. I do not know if you are going to be able to address that, but maybe the actuarial study will help. We need to grow the pipeline of providers if we want to expand access.

SENATOR CANNIZZARO:

With respect to individuals who are eligible for Medicaid but are not enrolled, yes, there are a number of those individuals, but they would not be eligible for the public option. They could buy insurance from the Exchange, but we would want them to be enrolled in Medicaid if they are qualified for it. Individuals who are qualified for Medicaid are not likely to pay a premium for a health insurance program.

Part of the problem is that a lot of folks think they cannot afford healthcare insurance. If they look on the Exchange, they say, "Oh, well, I can't afford that." I am hopeful that this will turn around as we build more affordable options and talk more about health care. That continues to be something we want to build outreach around, and this bill will speak to that.

With respect to the provider side, the actuarial study will make sure the provisions we are putting in place make sense. I have had a lot of conversations with providers, and it is generally the case that when uninsured people do finally seek medical help, they are typically much more acutely ill than insured people. By the time providers or hospitals see those individuals, they typically need a much higher level of care because they have not been receiving preventive health care. That uncompensated care is a cost to taxpayers, a cost that we are absorbing in order to cover individuals who are not insured.

Secondly, the bidding process provides incentives for plans that provide preventive health care. Those are the kinds of plans we are putting forward. The

bill requires these plans to be at a Medicare or higher reimbursement rate. For providers, this is certainly higher than uncompensated care.

You may look at the public option and think, "Why would we want to create another place for people to buy health insurance?" Part of the answer is what happens with providers. Frankly, either they are going to be providing uncompensated care to acute individuals, or we can talk about ways in which to get people on health care they can afford. That will help with preventive care, and it will also give providers a higher rate of compensation.

With regard to the Medicaid pieces of the bill, we want to make sure we are providing more of prenatal and postpartum care. There are always ongoing concerns about Medicaid reimbursements for providers, but these are services that can help in the long term. They mitigate the cost of babies born without proper prenatal care and moms with acute issues as a result of not having received proper care.

CHAIR BROOKS:

I would like to hear from the agencies that sent in fiscal notes. I want to hear from those agencies how the amendments in [Exhibit G](#) and [Exhibit H](#) will affect the fiscal impact of the bill.

SUZANNE BIERMAN (Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services):

Our current fiscal note was based on [S.B. 420](#) as introduced and does not reflect the changes made in Amendment No. 519 or the amendment in [Exhibit H](#). Those together will not eliminate our fiscal note, but they will significantly reduce it. Specifically, as Senator Cannizzaro mentioned, Amendment No. 519 changed the effective implementation date for the public option component of this bill to January 1, 2026. We are working to update our fiscal note to reflect changes in staffing costs for the first year of the 2021-2023 biennium. We do not feel our fiscal note related to the public option will be eliminated.

For the portion of the bill related to the Medicaid changes, we believe the conceptual amendment in [Exhibit H](#) will drastically reduce those costs, which is where the bulk of the Division's costs were in our original fiscal note. The provisions remaining will be the expansion for lawfully residing individuals, which had a fiscal impact for the 2021-2023 biennium of \$110,000 to go

computable and \$40,000 from the General Fund, and two other provisions, one related to community health workers and one related to doulas. Both of those initiatives produce a savings for the Division. With the addition of the as-funding-allows language for the rest of the expansions, the Division sees all of the additional sections specific to the other Medicaid expansions being removed.

SENATOR KIECKHEFER:

As I understand it, the bill requires a standard public agreement (SPA) to change the eligibility requirements. The trigger for that is in the phrase "as resources are available." How do you make that determination? I am thinking about a potential extension of the public health emergency that could expand our reimbursement into the first quarter of 2022. How do you decide when it is time apply to the Centers for Medicare and Medicaid Services (CMS) to change eligibility?

MS. BIERMAN:

Is your question specific to all three of the eligibility expansions that were listed in this bill or the one remaining, which is limited to the ... (unintelligible statement) ... because those are the ones tied to the ... (unintelligible statement) ... We will just monitor budgets closely and come back to the IFC if we felt funding was available and seek permission from the IFC before submitting any State Plan amendments to CMS. ... (unintelligible statement) ...

SENATOR KIECKHEFER:

You broke up a little bit. So the cost estimates in the fiscal note remain accurate, but whether or not they would be implemented is a determination that would be made while monitoring caseload, Federal Medical Assistance Percentages and expenses. Is that right?

MS. BIERMAN:

In general, that is correct. However, I think some of the dates may have changed, which may impact our fiscal note. Even the eligibility expansions themselves may have later dates in some of the amendments.

SENATOR SEEVERS GANSERT:

Do we know how many individuals are eligible for Medicaid but not enrolled? I am also looking at the adequacy of the network for Medicaid. Do you keep stats on the number of individuals on Medicaid who could have been seen by a primary care physician but ended up in the emergency room instead?

MS. BIERMAN:

We do have data on Nevada's remaining uninsured population. We typically use the Guinn Center titled "Nevada's Uninsured Population," which was published in 2019 and thus predates Covid-19. In that study, they found about 155,000 Nevadans in 2019 who were likely eligible for Medicaid but were not enrolled. That is something we are aware of and working with our partners at DWSS to find ways to reach those individuals.

Regarding network adequacy, we monitor it. Our managed care contracts have requirements regarding network adequacy for the approximately 75 percent of enrollees whom we serve through managed care. For the remainder on the fee-for-service (FFS) side, we also monitor adequacy, and in fact we just went through a comprehensive updating of the State's access monitoring and review plan, which includes a lot of the data you mentioned related to primary care. That activity required the update by the CMS in response to the State planned amendments we submitted last September to address the A.B. No. 3 of the 31st Special Session reductions. As you know, we are withdrawing those State planned amendments, but a lot of the work we did since September was related to access to care for the FFS population. We have a lot of data and would be happy to share that report.

SENATOR SEEVERS GANSERT:

Are you able to track individuals without Medicaid who end up in the emergency room because they are unable to see a primary care physician? Is there a way to track that?

MS. BIERMAN:

We can tell you how many emergency room visits we have claims for. I do not know about the tie-back to primary care physicians, though we can do some data matching. I will see what we can find for you.

SENATOR SEEVERS GANSERT:

I am concerned about the supply side and making sure providers do not leave because the rates are too low.

CHAIR BROOKS:

I would like to address the fiscal note from the Exchange. Do the proposed amendments modify that in any significant way?

JENNIFER KRUPP (Chief Financial Officer, Silver State Health Insurance Exchange): The fiscal note that was submitted is based on S.B. 420 as introduced. However, the amendments in [Exhibit G](#) and [Exhibit H](#) will have an effect on our fiscal note. Specifically, section 16.5 of the bill is not included in the fiscal note, so we will need to conduct additional analysis.

Our fiscal note will be revised; we expect it will increase to some degree, but by how much we cannot say with certainty at this time. Section 16.5 would require eligibility system changes, additional design elements and implementation of a secondary eligibility system, as well as additional actuarial study hours. Because some of the date changes, that will have an impact on the timelines in which expenses would be incurred by the Exchange. That will also need to be looked at, but increasing the projected start-date option plan year 2026 will certainly make an impact.

CHAIR BROOKS:  
Is that all the fiscal notes?

MR. THORLEY:  
The DWSS submitted an unsolicited fiscal note as well.

CHAIR BROOKS:  
Do we have anyone from the DWSS who could address that fiscal note?

LISA SWEARINGEN (Chief, Eligibility and Payments, Division of Welfare and Supportive Services, Department of Health and Human Services): We submitted our fiscal note for \$1.3 million when this bill was introduced. We mapped it or compared it to a similar bill on the Assembly side, A.B. 189.

**ASSEMBLY BILL 189 (First Reprint)**: Expands Medicaid coverage for postpartum care and other services for pregnant women. (BDR 38-130)

That bill asks for some of the items listed in S.B. 420, so we mapped that to align the two bills. Unfortunately, after A.B. 189 was reviewed by the Assembly, we dug in a little deeper, and our fiscal note for S.B. 420 is actually going to increase. All three of these components require an update to our system. The fiscal impact will go from \$1,300,000 to \$1,678,500. These changes are available for 90-10 funding through CMS, so the General Fund portion to do all three of these items would be \$167,850.



KRISTYN LEONARD (Nevada Advanced Practice Nurses Association):

The Association wants to put its support of S.B. 420 on the record. We specifically support section 27, which will authorize, when funds are available, Medicaid FFS to reimburse Nevada's licensed and committed nurse practitioners equal to physicians when providing the same services. The fiscal note created for section 27 identifies \$7.8 million in the General Fund to leverage \$25 million in federal dollars. The return on investment is even greater when you consider the benefit to the supply side. Reimbursement parity will attract and retain highly qualified primary care providers to rural and underserved areas.

We have submitted a document ([Exhibit I](#)) from the Association, submitted by Sarah Adler. This document cites more than 40 studies showing that not only do nurse practitioners provide the same quality of care as physicians, but their delivery of care, patient satisfaction rate and ability to educate patients exceed that of other providers. Advanced practice registered nurses provide access to health care and specialize in prenatal care and obstetrics. In addition, their treatment of chronic conditions will prevent acute illness and expensive interventions, reducing lifetime medical costs for individuals.

California, Oregon and Washington State all have reimbursement parity, and in order to attract and retain primary care professionals, Nevada must as well.

PRISCILLA MALONEY (American Federation of State, County and Municipal Employees, Retiree Chapter Local 4041):

We testified in support of S.B. 420 when it was heard in the Senate Committee on Health and Human Services, and we are still in support. We would suggest that there is a basic fundamental principle here that marries access to care and saving money in the long run when policies such as are contained in the public option piece of the bill are put into place.

We have concerns about our pre-Medicare population. This circles back to Senator Seever's Gansert's earlier concern about folks who may be eligible for Medicaid. I would like to point out that one cannot toggle back and forth between Medicaid and Medicare. If pre-Medicare retirees lose employer-supplied health insurance due to their age, they cannot hop onto Medicaid and then switch to Medicare when they reach the age of eligibility. There are some seniors who prefer to preserve their right to get to Medicare eligibility status. For those who are at the end of their careers but not yet eligible for Medicare, they may hang onto their jobs or delay health care because they do not want to

be forced onto Medicaid. We would likely be saving some dollars if we helped those folks to an intermediate option before they age into Medicare.

MR. ERVIN:

More than 6,000 faculty at Nevada System of Higher Education institutions rely on the Public Employees Benefits Program (PEBP) for our healthcare insurance. We are very much in support of the public option in S.B. 420. The more uninsured Nevadans who gain insurance, the lower the uncompensated costs that will be transferred to insured patients.

While we support S.B. 420 as amended, we would prefer that section 13, subsection 2 be strengthened to fully protect participants in PEBP from potential future fiscal impacts. Although section 13 states that PEBP may waive the requirement that its providers also join a public option network if needed to ensure sufficient access to services, it does not explicitly protect PEBP participants from possible higher costs or narrower provider choice if future requests for proposals for provider networks have a requirement for also serving public option patients.

That said, while we prefer that stronger requirement, we support S.B. 420.

JIM WADHAMS (Nevada Hospital Association):

The Nevada Hospital Association appeared in opposition to this bill when it was heard in the Senate Committee on Health and Human Services. I appreciate the consideration the bill's sponsor has given to the issues raised by the Association and others, and the amendments in [Exhibit G](#) and [Exhibit H](#) move in a positive direction. However, there are still some additional fiscal issues that are worthy of consideration.

Having read Senate Concurrent Resolution No. 10 of the 80th Session again and compared it to section 2 of S.B. 420, I notice that the key, and it has been evidenced in some of the questions already raised, is improving the access to high-quality care. The actuarial study and the additional reference to the impact on premiums with or without mandatory participation of providers is the beginning of an analysis, but not the end. I would suggest the Committee ensure that they benchmark the current accessibility. As many of you are well aware, Nevada is now 45th in the U.S. in terms of physicians per capita and approximately that same range in terms of nurses per capita. Accessibility is based on the available personnel. The hospitals I represent are physical

structures; they do not move. However, if they are to serve the patients who come to the emergency rooms, availability of doctors and nurses is critical.

In order to assess the true impact of this bill and the potential disruption to the healthcare market, the accessibility needs to be benchmarked today so that in future Sessions, you can evaluate whether any of these efforts have actually improved that statistic or caused it to deteriorate. The concerns we have raised are based on some of the cost models, being below the cost of delivering the services. As hospitals, we have a serious concern that that may deteriorate the availability of physicians to serve the patients.

TOM CLARK (Nevada Association of Health Plans):

I come before you in opposition to the public option provisions of S.B. 420 and the financial burden it could place on Nevada. In previous testimony, there has been reference to the Manatt study titled "Senate Concurrent Resolution No. 10 Study: Evaluating Public Health Insurance Plan Options for Nevada Residents." It examined the feasibility and design of a public healthcare plan for Nevada. That study was put forth as an initial analysis of public option plans. That report stated:

In pursuing a public option model, Nevada policymakers must consider the extent to which the model will have the larger impact on affordability for Nevadans, weighed against implementation feasibility, costs to the state and impacts on existing markets.

Before passing S.B. 420 and putting in statute an unanalyzed theory, we strongly recommend the State perform the actuarial study and feasibility assessment, along with a full examination of the proposal on insurance market stability, network adequacy, healthcare providers and potential cost drivers that could unintentionally impact consumers through the State.

Why is all of that important? Because the numbers in the proposal are arbitrary with no actuarial analysis to support them. For example, why is it a 15 percent premium target reduction? That target has already moved from five years to four years. An analysis has not been completed to understand the impacts on Nevada's patients, providers, and hospitals. What levels of ... (unintelligible statement) ... to hospitals and providers are actually required to enable health plans to achieve the premium reductions defined in this bill? It is not possible for health plans to achieve the mandated premium reductions and offer actuarial

sound rates. No feasibility study has been conducted to demonstrate these types of premium reductions can actually be made and sustained without significant cost and unintended harm to Nevada's coverage and care delivery systems.

My clients, who are private insurance companies and managed care organizations, must demonstrate that the insurance products they offer are actuarially sound. Should not the State expect the same from the public option? We certainly think so.

CYRUS HOJJATY:

I am testifying in the neutral position.

I would like to thank Senator Cannizzaro for bringing up this issue. Health care is important for our Country, and premiums are too high. I have a mixed-bag view of this bill. First, I believe it will offer lots of competition and flexible rates against a lack of competitive efforts of this Wall Street takeover of our healthcare system. It certainly has gone out of control. Prescription drug prices are too high as well.

My concern about this bill is where has this plan or a similar idea taken place in another state? We need more evidence to make sure it has worked. I am concerned about waste. Will this drain budgets? Will there be a level of abuse? Will some people use it up too much so that it does not end up being affordable?

We do know for a fact that single payer healthcare systems have worked pretty well in Europe. They provide lower costs per capita than the U.S. We also know that the ACA has increased premiums for Americans.

Other than that, I believe S.B. 420 will shake up the system.

CHAIR BROOKS:

I will close the hearing on S.B. 420 and open the work session on S.B. 276.

SENATOR CANNIZZARO MOVED TO DO PASS S.B. 276.

SENATOR DONDERO LOOP SECONDED THE MOTION.

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THE MOTION PASSED UNANIMOUSLY.

\* \* \* \* \*

CHAIR BROOKS:

I will open the work session on S.B. 295.

SENATOR DENIS MOVED TO DO PASS S.B. 295.

SENATOR DONDERO LOOP SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

\* \* \* \* \*

Remainder of page intentionally left blank; signature page to follow.

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CHAIR BROOKS:

Is there any public comment? Hearing none, we are adjourned at 5:15 p.m.

RESPECTFULLY SUBMITTED:

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Lynn Hendricks,  
Committee Secretary

APPROVED BY:

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Senator Chris Brooks, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Begins on Page</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
S.B. 310	B	1	Senator Dina Neal	Conceptual Amendment
S.B. 389	C	1	Senator Dina Neal	Proposed Amendment No. 3398
S.B. 297	D	1	Senator Pat Spearman	Conceptual Amendment
S.B. 341	E	1	Julia Peek / Department of Public and Behavioral Health	Testimony with Proposed Amendment
S.B. 341	F	1	Senator Pat Spearman	Proposed Amendment
S.B. 420	G	1	Senator Nicole Cannizzaro	Proposed Amendment 3409
S.B. 420	H	1	Senator Nicole Cannizzaro	Conceptual Amendment
S.B. 420	I	1	Kristyn Leonard / Nevada Advanced Practice Nurses Association	Support Testimony from Sarah Adler