

NEVADA LEGISLATURE - SPECIAL SESSION

SENATE FINANCE COMMITTEE

February 22, 1968

A meeting of the Senate Finance Committee regarding Senate Bill No. 8 was called to order by Chairman, Floyd R. Lamb, on February 22, 1968, at 2:45 p. m.

All members of the Senate Finance Committee were present with the exception of Senator Franzway.

Also present: David Henry, County Manager of Clark County

Senator Gibson read the resolutions on Title XIX. See attached resolutions.


Senator Pozzi moved to pass Senate Bill No. 8.

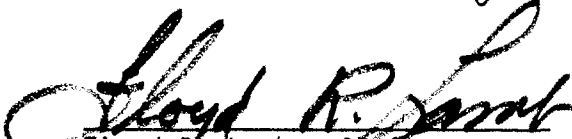
Senator Slattery seconded the motion.

Senate Bill No. 8 passed.

Chairman Floyd Lamb adjourned the meeting at 3:00 p. m.

Respectfully submitted,


Viola R. Bonawitz - Secretary


Floyd R. Lamb - Chairman

SUMMARY--Calls attention of Federal Government to financial crisis prompted by Title XIX. (BDR 120)

SENATE JOINT RESOLUTION--Calling the attention of the Federal Government to the urgent financial condition of the state resulting from the impact of Title XIX.

WHEREAS, The state plan for assistance to the medically indigent, enacted pursuant to Title XIX of the Social Security Act (42 U.S.C. §§ 1396-1396d), has encountered unanticipated costs; and

WHEREAS, It became necessary to place an additional appropriation request therefor on the agenda of the special session of the 1968 legislature; and

WHEREAS, The costs of such plan are spiraling and no relief is in sight; and

WHEREAS, The people of the State of Nevada are already heavily burdened with taxes and have nearly exhausted all available tax sources; and

WHEREAS, Moneys must, therefore, be diverted from other programs essential to the future development of the state in order to continue the state's participation in the plan for assistance to the medically indigent; and

OVER

WHEREAS, The State of Nevada does not have a population basis of sufficient size to carry the costs of such a plan without federal matching funds; and

WHEREAS, Administrative control of such costs, for all practical purposes, rests with the Federal Government; now, therefore, be it

RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF NEVADA, JOINTLY, That the Ways and Means Committee of the House of Representatives is requested to undertake an immediate study of the

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cost control provisions of the Title XIX program with a view to recommending drastic reforms in the administration of the program; and be it further

RESOLVED, That copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the chairman and each member of the Ways and Means Committee of the House of Representatives and to each member of the Nevada congressional delegation.

SUMMARY--Requests Western Conference, Council of State Governments, to seek congressional relief for states from inequities in Title XIX. (BDR 119)

SENATE CONCURRENT RESOLUTION--Requesting the Western Conference of the Council of State Governments to seek congressional relief for states from inequities in Title XIX.

WHEREAS, The legislature of the State of Nevada at the 54th session enacted a state plan for assistance to the medically indigent, pursuant to Title XIX of the Social Security Act (42 U.S.C. §§ 1396-1396d); and

WHEREAS, Moneys heretofore appropriated by the legislature for the purpose of carrying out the provisions of this plan are glaringly insufficient; and

WHEREAS, Alarming reports are coming to the attention of this legislature regarding the rapidly accelerating costs and the inadequate administrative and control safeguards, seemingly characteristic of this plan; and

WHEREAS, The working relationship under this plan between the Federal Government and each of the participating state governments, ideally as well as practically, should be marked by mutually shared administrative control, at least commensurate with the proportionate financial contribution made by each level of government; and

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WHEREAS, In fact, the state has little or no real administrative control over such vital aspects of the plan as eligibility for benefits and the setting of rate and fee schedules; and

WHEREAS, Without a greater share of the administrative control over this plan, the state may well find itself embarked on an involuntary course of financial ruin; and

WHEREAS, Undoubtedly the experience of other, participating state governments would bear witness to the universality of the problem and the urgency of its solution; and

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WHEREAS, It is in the best interest of the people of the State of Nevada to invite other affected states to join with it in prosecuting a vigorous appeal to the Congress of the United States for relief from the many inequities inherent in Title XIX as enacted and as implemented by the Secretary of Health, Education, and Welfare; and

WHEREAS, It should be abundantly plain that such appeal has mustered the full political power of all affected states; and

WHEREAS, The Western Conference of the Council of State Governments is admirably and uniquely suited to the role of advocate in this potentially disruptive aspect of the vital, federal-state relationship; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the Western Conference of the Council of State Governments, on behalf of all the states associated with it, is hereby requested to perfect and prosecute an appeal for congressional relief, for all participating states, from the manifold inequities found in Title XIX of the Social Security Act (42 U.S.C. §§ 1396-1396d), which are presently producing great financial hardship and which have the potential of ruinous consequences if allowed to go unchecked; and be it further

RESOLVED, That the Western Conference is hereby requested to place this critical subject on the agenda for its Los Angeles meeting scheduled for November of this year; and be it further

RESOLVED, That copies of this resolution be transmitted forthwith by the legislative counsel to the Director of the Western office of the Council of State Governments; and be it

further

RESOLVED, That the Director of the Western office of the Council of State Governments is requested in turn to transmit copies of this resolution, provided for such purpose, to all member states of the Western Conference and to the other Conferences of the Council of State Governments.

2.

SUMMARY--Urges department of health, welfare and rehabilitation to adopt administrative practices calculated to effect economies in Title XIX program. (BDR 128)

SENATE CONCURRENT RESOLUTION--Urging the department of health, welfare and rehabilitation to adopt administrative practices calculated to effect economies in the Title XIX program.

WHEREAS, Since the adoption in 1967 of a state plan for assistance to the medically indigent, pursuant to Title XIX of the Social Security Act, the legislature of the State of Nevada has become increasingly aware of the rapidly mounting cost of the plan and its serious implication for the fiscal health of the state; and

WHEREAS, It has been the intention of the legislature from the beginning and so remains that the state embark upon an assistance program which will satisfy the bare, minimum requirements of the law; and

WHEREAS, The very nature of the assistance offered places a heavy responsibility upon those administering the program to limit its benefits to those actually entitled under the law to such assistance; and

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WHEREAS, The legislature views with apprehension the limited amount of administrative control that can be exercised by the state; and

WHEREAS, Notwithstanding such limitation, the legislature is persuaded that a careful case-by-case approach and a strict observance of certain administrative practices herein urged upon the department of health, welfare and rehabilitation will result in securing the benefits of the program to those lawfully entitled thereto by making the best possible use of the limited funds available to accomplish the true purpose of the program; and

WHEREAS, It cannot be stressed emphatically enough that there shall be no extension of the plan for assistance to the medically

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indigent without direct legislative approval; now, therefore,
be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY
CONCURRING, That the department of health, welfare and rehabilita-
tion is hereby commended for sensing that the accelerating cost
of the state plan for assistance to the medically indigent was
leading the state into financial straits; and be it further

RESOLVED, That the department is hereby especially commended
for initiating steps requiring preauthorization for treatment
and care; but be it further

RESOLVED, That the department is hereby urged to adopt and
adhere to the following administrative practices in the spirit
which it has already displayed of recognition for the grave
financial position into which the people of the State of Nevada
have been thrust:

1. Cooperate to the fullest extent possible with the legis-
lative commission in whatever study may be assigned to it by
the legislature for the purpose of seeking a solution to the
problems associated with the plan;

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2. Limit the benefits of the plan strictly to those for whom the plan was created;

3. Exert maximum effort to require preauthorization for as much of the treatment and care as is permitted within the elasticity of such federal and state regulations as are made; and

4. Use every effort, through proper administrative discretion and control, to keep the existing program under constant surveillance; and be it further

RESOLVED, That a copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the director of the department of health, welfare and rehabilitation.

SUMMARY--Directs legislative commission to study state plan for assistance to medically indigent. (BDR 118)

SENATE CONCURRENT RESOLUTION--Directing the legislative commission to study the state plan for assistance to the medically indigent to achieve greater equity for the state in its participating role.

WHEREAS, Chapter 369, Statutes of Nevada 1967, amending chapter 428 of NRS, established a state plan for assistance to the medically indigent, pursuant to Title XIX of the Social Security Act (42 U.S.C. §§ 1396-1396d); and

WHEREAS, This plan has only been in force since July 1, 1967; and

WHEREAS, Despite this brief experience under the plan, moneys heretofore appropriated by the legislature of the state of Nevada for the purpose of carrying out the provisions of this chapter are woefully inadequate; and

WHEREAS, This inadequacy prompted the governor to include in his message to the special session of the 1968 legislature of the State of Nevada a request that additional appropriations totaling \$1,800,000 be made from the general fund in the state treasury to the Title XIX fund for the fiscal years 1967-1968 and 1968-1969; and

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WHEREAS, Serious misgivings now assail the minds of the members of this legislature regarding not only the skyrocketing costs of this plan for assistance to the medically indigent but also regarding the state's role vis-a-vis the Federal Government in its administration and control; and

WHEREAS, There is a real sense of urgency in the assessment of the state's ability to discharge its responsibilities under this plan; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the legislative commission is hereby directed to

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conduct a study of the state plan for assistance to the medically indigent established pursuant to Title XIX of the Social Security Act (42 U.S.C. §§ 1396-1396d) to determine:

1. The consequences of restoring plans for public medical assistance in lieu of the Title XIX provisions, including, but not limited to, the possibility of the Federal Government's withdrawing support in other areas of public assistance as a result of the state's withdrawal from the Title XIX plan;
2. The cost of continuing the plan, recognizing that assistance under the plan may be extended to cover medically indigent of all ages and that the matching funds may be reduced below the present 50 percent participation level;
3. Methods of control that may be developed by the state to establish eligibility for assistance under the plan, availability of liens as a method of enforcing responsibility for benefits received and the suitability of rate or fee schedules for medical or remedial care under the plan;

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4. The cost experience of counties in providing assistance to beneficiaries in the age group from 21 years to 65 years of age; and

5. What legislative action is required for the state to achieve greater equity in its participation in this federal-state plan; and be it further

RESOLVED, That the legislative commission assign top priority to this study; and be it further

RESOLVED, That the legislative commission is hereby directed to make a report of such study and recommend any proposed legislation to the 55th session of the legislature of the State of Nevada.