

ASSEMBLY HEALTH AND WELFARE COMMITTEE MINUTES
Wednesday, March 23, 1977

MEMBERS PRESENT: Chairman Chaney; Mr. Kissam;
Mr. Schofield; Mr. Dreyer;
Mr. Weise; Mrs. Gomes;
Mr. Ross; Mr. Bennett;
Mr. Robinson

MEMBERS ABSENT: None

GUESTS: See Exhibit "B"

Chairman Chaney called the meeting to order at 9:40 a.m. He asked for testimony on AB 89 which broadens duty of support of minor children. Mr. Martell explained that the bill broadens the duties of stepparents requiring them to have more responsibility for their minor stepchildren. He explained the amendment which deletes lines 8 to 11 in Section 3 and inserts:

- Sec. 3. 1. A parent shall support his minor children.
2. A stepparent who lives in a household with his minor stepchild and the parent of his minor stepchild shall support his minor stepchild.
3. The duty imposed by this section is in addition to the other duties of support imposed by law.

Mr. Dreyer asked the reason for the change. Mr. Martell stated that there are situations now speaking directly to the ADC people which require stepparents to support their minor stepchildren. Some stepparents refuse to support their minor stepchildren there- by placing the burden on ADC.

Mr. Weise stated that the purpose of the bill is to get rid of people who are otherwise not eligible for welfare but who are receiving welfare because stepparents disclaim responsibilities. He felt the bill should relieve obligated parents from certain responsibilities and suggested restructuring the bill to say that if somebody is receiving ADC payments he would be disqualified from such payments if the parent was actually married to or living with somebody else otherwise eligible. He felt it should apply to others besides ADC recipients. Mr. Martell said that because of lack of law in Nevada, people are trying to collect under ADC.

Mr. Chaney felt that the bill was designed to help families where the income isn't sufficient to support stepchildren. Mr. Ross asked Mr. Martell what other states had this kind of legisla- tion. Mr. Martell said that he did not have this information but would supply it to the committee. Mr. Ross added that he felt the courts would consider the modification of a divorce decree of a father of modest means making child support payments to an ex-wife who remarries a husband of substantial income. Under AB 89 the new husband is under no obligation to support the step- children. Mr. Martell agreed.

Mr. Holland, counsel for Welfare, said that the US Supreme Court has decided that in order for a law like this to have any effect on welfare recipients, a law must have general applica-

bility and not just apply to welfare stepparents. Mr. Ross asked if, by this law, we're not just attempting to change all society's method of support and obligations to children in order to get at this welfare abuse. Mr. Holland answered by saying that the purpose of this bill is to provide one additional means of supporting children. He also agreed that some court orders could be modified but that it would remain to be seen. Mr. Martell said the major thrust of the bill is to look after the support of children and there shouldn't be a general aversion to this.

Mike Fondi, Carson City District Attorney, stated that he was unalterably opposed to the measure. He said it would be an unworkable enforcement nightmare and would make it a crime for stepparents not to supply support to stepchildren which would add to an already great burden.

Mrs. Gomes agreed and asked how co-habitation is proven. Mr. Fondi said that this could also be used as a club for other purposes and many after-effects were possible from this kind of legislation. He said that one cannot always predict what a court would do with legislation like AB 89. He pointed out that this has ramifications on divorce or temporary separation leading to divorce of the parent and stepparent and if this is a problem area in ADC that it could better be handled through regulation rather than legislation which would be difficult to administer.

Mrs. Gomes felt that a stepparent should still be liable for support after a divorce as a natural parent would be. Mr. Martell stated that you cannot pass regulations relative only to the ADC program.

Chairman Chaney called on Dr. John Carr to testify on behalf of AB 474, a bill establishing criteria for recovery of treatment for crippled children. Dr. Carr stated that this bill amends NRS 424.125, recognizing what is already being done to insure that funds are going to people deserving them. He said that there are two eligibility workers determining eligibility and that all of the requirements under Section 3 of this bill are being considered.

Mr. Bennett asked if there was any fiscal impact from the bill. Dr. Carr said that there was not and that Federal audits have required this for four or five years and it is being added to tighten up eligibility.

Discussion was held as to what constitutes a family, i.e., wealthy uncle living in the household but not contributing to its income. He would not be considered in computing the family income, but if he did contribute to it, such income would be taken into consideration. Mr. Ross asked if a family consisted of people not in the household. Dr. Carr said only those in the household are considered. Mr. Ross asked where the language stating

the definition or limits of a family. Dr. Carr explained that this was on their form, not in the law. Mr. Ross asked Dr. Carr if he had an in-house definition of what he considers a family and asked that it be supplied to the committee to avoid any ambiguity.

Mr. Kissam said that not only would the form Mr. Ross requested have to be changed, but it would have to be spelled out in the law. Mr. Weise suggested adding: line 10: that the family in the household of the child ...Mr. Ross asked, why change it from "parents of the child" to "family of the child". Mr. Weise stated that there may be other contributing members of the family. Mr. Ross asked Dr. Carr if he felt because an uncle or aunt lived in the household that that uncle or aunt should be responsible for the child's medical expenses? Dr. Carr stated that parents of the child are often not the keepers of the child. For example, a child may be an orphan and living with an aunt and uncle. They're not the parents, but they're the guardians. Mr. Weise suggested using "legal guardians". Mr. Carr agreed to this suggestion and further explained that if an uncle or aunt live in the same household as a family of four, two parents, two children, and contributes funds in the way of rent or board, those funds are included in the income of the family.

Mr. Ross pointed out that the concept of "guardian" is usually over an estate or person and expenses never come out of the pocket of the guardian and therefore "parent or legal guardian" would not apply in this situation in light of the financial responsibility of a guardian.

Mr. Bennett pointed out cases he knew about where kindly people acted as guardian to children without parents and felt that these are the kinds of children this bill applies to. Dr. Carr pointed out that an extra person in the family could also be a liability to a family in cases where he cannot take care of himself and the family is responsible for his welfare also.

Mr. Weise asked if there wasn't another term for people who assume parental obligations of juveniles. Mr. Ross knew of none but suggested just leaving lines 9 and 10 as: parents of the child are unable to pay Dr. Carr agreed with the suggestion and agreed to arrange for the amendment with Mr. Ross for the committee meeting next Wednesday.

The Chairman called for testimony on SB 194 which establishes a state health coordinating council and authorizes establishment of the office of health planning and resources in the Department of Human Resources. Mr. Franklin M. Holzauer, Chief, Planning Evaluation and Program Development, Department of Human Resources, read a statement outlining the major changes

to be brought about in State health planning functions under SB 194. (His statement, duties of the State Health Coordinating Council and Comprehensive Health Planning Advisory Council and a chart showing the chain of command are attached as Exhibit "A")

Mr. Holzhauer stated that the Governor transferred this program from the Executive Office with the enactment of Federal legislation into the Department of Human Resources and that it was in the Executive budget. He said it has been heard twice by both money committees, both times with their approval. The Senate has closed this budget. Mr. Weise asked that since the two Health Service Agencies in the state will make recommendations for expansion programs to the Department who, in turn, will make recommendations on these programs, to what extent will the new department act on these recommendations. Mr. Holzhauer stated that final approval will lie with the state agency, though other requests can be approved for funding by the HSAs.

Mr. Weise asked why some of this workload should be transferred to the insurance division. Mr. Holzhauer stated that the decision was made last July when a bill from the last session gave audit duties of hospitals, etc. to the insurance division. He said that they had been having a personnel turnover of 99% and the Governor wanted the regulatory functions of the certificates of need to be separated. Mr. Holzhauer said that he does not know if this is successful or not.

Mrs. Gomes asked Mr. Holzhauser the number of agencies who contract out like this. Mr. Holzhauer stated that he does not know the existing number but there are none in Nevada. "This is the only agency that can do this", he said. He continued by saying that the insurance division does the mechanics of the certificates of need and recommends to the Human Resources Department who makes the decision.

Mr. Robinson expressed his concern with line 38 on page 3 which covers the insurance division's \$138,000 contract for the biennium and which may not be coordinated with local HSAs. He asked where the HSAs would turn for review of their projects.

Mrs. Nygren stated that the HSAs have the right to public hearings and can write to the secretary of HEW if they have objections which could then, in turn, be reviewed by HEW. The HSAs set the criteria. Mrs. Nygren said it was their intention to work with the two HSAs and hold public hearings.

After meetings in Washington, D.C., Mr. Robinson felt it was apparent that it would be very difficult for any changes, reductions or increases in facilities to be made without certificates of need. He felt this would interfere with proper hospital planning and was going above and beyond the ~~actual~~ need. He strongly emphasized the need for public input.

Mr. Holzhauer pointed out on page 4, line 2 the specific Federal requirement of expenditures of \$150,000 or more requiring approval and certificates of need. He said, "We're not the kind of agency that wants to go out and hassle people; we want to have some handle on the rapidly rising costs of health care."

Mr. Bennett pointed out that on page 4, line 12, a capital investment may go over \$150,000 by regulation, but that Federal authorities may raise or lower this amount and we would just have to comply. Mr. Holzhauer pointed out that if the state does not comply, it would lose millions of dollars in Federal funding.

Mr. Robinson asked who made the decision that the contract go to the insurance division. Mr. Holzhauer stated that it was the Governor and Mr. Trounaday. Mr. Robinson asked if it was offered to his office. Mr. Holzhauer stated that the Governor left it optional. Mr. Weise asked if his office could do it instead of the insurance division. Both Mr. Holzhauer and Mrs. Nygren agreed that they could without additional staff.

(NOTE: Balance of the testimony on SB 194 is verbatim due to tape failure on first part of testimony.)

Mr. Weise: Where do the HSAs leave off and you pick up, insofar as what if there are no new hospital applications this year?

Holzhauer: We would still be operating in the planning function and working and trying to improve the health care through those federal programs that are mandated that we oversee in some way in this particular program.

Mr. Weise: Well, like Clark County hospitals, through the Commerce Committee we've seen that they've got a lot of bedspace now. In Washoe County, I guess Washoe's got an empty floor and St. Mary's got additional bed space that they have to utilize and get a certificate. I'm just wondering what projections you have or if you'll have something to do in the next two years.

Mr. Holzhauer: There would probably be certificates of need as Mr. Robinson alluded to in other areas such as large pieces of equipment, changes in bed service utilization, different kinds of service. For example, in the rural counties, if they would put out a nurse practitioner and some other kinds of health service connected with a hospital which is a new service in that community, it should probably be reviewed and require that kind of a review so there would probably be, oh, maybe a few less this year than we've been doing in the past but maybe not. We've been doing about 15 a year, generally.

Mr. Chaney: Any other questions?

Mr. Robinson: Not too long ago, we indefinitely postponed a bill on data collecting which falls somewhere in your scope of work. If you were doing this in-house work instead of contracting it out, would there be any benefits and spin-off to you that you could utilize the same thing in your data collecting?

Mr. Holzhauser: We sure could use 242. (laughter)

Mr. Robinson: In the absence of 242, would doing in-house studies on this produce some of that data that you may....

Mrs. Nygren and Mr. Holzhauser: Yes, it would.

Mr. Chaney: Thank you very much. Anybody else to testify on SB 194? Hillerby?

Mr. Hillerby: Mr. Chairman, my name's Fred Hillerby, ^{I'm} with the Nevada Hospital Association. I would just like to touch on some of the questions that have been brought up today because I share some of the same concerns that have been expressed here. The Health Systems Agency activities, the two agencies that are in the State, Clark County being one, the other 16 counties being the other, are involved in developing a health plan for that particular area. In addition to that, an implementation plan for those particular areas. Part of the implementation plan is developing criteria whereby those agencies will review applications for new service. Although they do not have the final authority, they do have the authority to recommend to the state agency.

The state agency has the responsibility, as defined in this bill, to combine the activities of those two health planning agencies and develop one state health plan. They also have the implementation responsibility to develop an implementation plan to, how are we going to accomplish the things that we decide are necessary for the state in the aspect of health planning.

They will be looking at the criteria developed by the two health systems agencies for how they're going to review applications or at least should be so that we can establish some sort of continuity when an applicant comes in and is reviewed in Clark County. Hopefully the same criteria is going to be applied when it's reviewed by the state agency.

I support 194 in the concept of health planning. I serve on the HSA; I do not speak for that governing body, but I do serve there. I see the need for health planning in this state, an efficient health plan. The irony that strikes me here is that one of the reasons for health planning is to try to avoid unnecessary duplication and yet in the contract that is being discussed this morning, I see unnecessary duplication. Also the reason is to try to control the costs. I see a cost factor of \$130,000 over the biennium used and as has been answered, theoretically, there could be very few certificates of need requested in the next two

years and even if it went to the average of 15 a year, that's \$4,000 an application and I don't see, that if that's been reviewed effectively, at the local level, that it's going to cost \$4,000 in application to determine whether or not it ought to be approved at the state level.

I again would hit on the data collection. The two HSAs, they're very minimally funded and do not have the money to collect good data so that we can make objective decisions about what the health needs are in our community. We have access to some data but we need more. It just seems to me that if the state agency would maintain its total budget rather than this contract, that hopefully they could help the two area planning agencies develop data so that they could make good decisions that effect the health care delivery systems in this state.

We do support 194 but we do have some real concerns about the mechanisms whereby health planning is going to occur. Instead of having a local agency and a state agency, we have a third agency as well that's not involved in the actual planning process. That really bothers me.

Mr. Chaney: Any questions?

Mr. Weise: Would it be possible for, if the money wasn't spent even in-house, to actually turn around and have the state agency develop the criteria and request the HSAs to provide that information? Is there a conflict in that? The state agency is going to develop some parameters to make their decisions and it's going to need so much information in these areas. Could they not go to the HSAs and say, "Now, look, this is what we're going to be looking at when someone makes an application. These are our parameters. We would like you to adopt these in both agencies so that they're uniform. We would also provide you with money to develop that data so that you can make a decision and we can either sustain, alter or deny, depending upon what it is." Is there a conflict if the HSAs do the data collection work?

Mr. Hillerby: If they're receiving some planning from the state level to meet the needs that the state sees?

Mr. Weise: Right.

Mr. Hillerby: I'm not sure I can answer for both the HSAs. Their directors are here this morning, but I think that we're trying very hard to work together, the HSAs and the state agency, so we do have some consistency and I think if this is, this is my opinion, if the criteria developed by the state agency was consistent with what the local agencies felt was needed, and we worked together to develop those, I don't see any reason why that couldn't happen.

Mr. Weise: Let's put it this way: the HSAs are going to have

to agree with the state.

Mr. Hillerby: Right. We'd like to agree with the state. (laughter) We're frustrating our own efforts if our criteria aren't consistent with the staff.

Mr. Weise: If these three groups can get together, the two HSAs in the state, the state develops the parameters, in other words, if you can tell the HSAs, when you give us an application, we want to have this kind of information to make a decision, couldn't you just as well fund that money back to the HSAs for the data collection or is there some conflict? I presume in their make-up there shouldn't be any conflict because they're consumers, writers....

Mr. Holzhauser (from audience): There's no conflict in law, but I'd have to research if further.

Chairman Chaney asked if anyone else chose to speak on 194. He appointed Mr. Robinson as chairman of a committee composed of Mr. Ross and Mr. Weise to bring more information on the bill back to the committee at next Wednesday's meeting.

Chairman Chaney: Mr. Nutley?

Mr. Nutley: Mr. Chairman, my name is Dick Nutley. I am the Executive Director of the Clark County Health Systems Agency. I represent 30 governing body members from Clark County with approximately 150 committee members who work on the HSA in Clark County. Last night, when they asked me to come up here today and voice my support from them, for SB 194. I'd like to touch briefly on the fact that to date we have had excellent in-put. The other HSA and the state agency have worked together quite well in putting together planning, putting together data base requirements, and in general, solving mutual problems throughout the state. I don't think there has been or there doesn't look like there's going to be a difficulty in these three groups working together as a unit to help solve some of the health problems in the State of Nevada.

I would like, however, to separate SB 194 from the contract that's under discussion. The law before you today is important in the State of Nevada; it's important for Clark County that we get something in this format through. Now the people who are here today have worked together to re-write this bill from its original standpoint to fit the law and to fit what we think is best for Nevada by trying to reduce the number of times we had to review applications from hospitals by upping the price from the old mandated \$100,000 to \$150,000 and other actions within the bill speak to that same issue. We were not trying to impose a large amount of regulation on top of hospitals, nursing ~~(homes)~~ home health care centers or other parts of the health delivery system

to provide us with problems. The contract, as I understand it, with the insurance division, will be due for re-write on July 1. If it is the intent of the Legislature to speak to that issue, I would hope that you would because I would support that contract not continuing. When you live in Clark County and you're 400 miles away from the base of government in Carson City, you want to deal with as few agencies as you have to and with one individual whenever possible. On that basis, I would support that part of the contract being rescinded.

But the law itself, SB 194, is very important to the State of Nevada in getting these plans going. When I took office as Executive Director of the Clark County CHP, almost 7 years ago, there was one rural ambulance (Witness told of increases in ambulances available in Clark County by putting health planning into action in Clark County.)

Ken Newcomb: My name is Ken Newcomb. I am director of the Greater Nevada Health Systems Agency which serves the other 16 counties of Nevada. I, too, would like to speak on behalf of the legislation and urge your support. We will be working together; we do not wish to duplicate efforts and we hope to have the health and welfare of the folks of Nevada at heart.

Mr. Chaney: Are you satisfied with SB 194 in its present form without amending it?

Mr. Newcomb: I believe any problems presently in SB 194 can be modified or handled through regulation.

Mr. Robinson: I'd like to have your opinion about what you feel the in-house handling of this contract.

Mr. Newcomb: I believe that the planning and review function, there is a case to have it separate. There's also a case to have it coordinated and linked to planning. I don't believe it is necessary to have it in another department. One of the advantages of having it in HRS is to have inter-departmental coordination and if the insurance division were part of that department, it might be different. I believe there is expertise within the State of Nevada. I also agree that we haven't seen it work or fail yet, so I have to withhold the final judgment. But on the face of it, from my experience, it would seem unnecessary at this point.

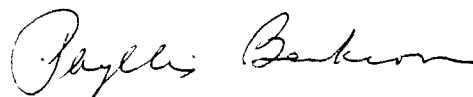
Mr. Holzhauser: As long as the contract's been discussed so heavily, I would hate to see 194 get into any kind of trouble when we really need this kind of legislation and if we need to

talk about the contract, we could handle that in some other fashion. That's an administrative decision.

Chairman Chaney asked for action on AB 89. Mr. Dreyer moved to indefinitely postpone the bill; Mr. Schofield seconded the motion. Members voting "aye" were: Chairman Chaney, Mr. Schofield, Mr. Ross, Mr. Kissam, Mr. Dreyer, Mrs. Gomes, Mr. Bennett and Mr. Robinson; Mr. Weise voted "nay". The motion passed.

Chairman Chaney announced that SB 194 and AB 474 would be discussed again at the next meeting Wednesday, March 30, 1977.

Respectfully submitted,



PHYLLIS BERKSON, Secretary

S.B. 194

Statement by Franklin M. Holzhauer
Chief, Planning Evaluation and Program Development
Department of Human Resources

I have with me Miss Myrl Nygren, Administrator of the State Health Planning Office. S.B. 194 is an administration bill requested by our Department to amend NRS 439A and the corresponding sections of NRS 449 pertaining to health facilities construction.

This bill, through an agency request, was drafted with the help of the two area health systems agencies and with technical assistance from the federal government. Major changes in the state health planning functions brought about by this bill are:

1. A clear statement of purpose
2. The re-organization of the health planning councils and a description of their duties
3. A clarification of the state's certificate of need program.
4. The relocation of the health planning agency from the Office of the Governor to the Department of Human Resources.
5. A reassigning and reclassification of the Hill-Burton Hospital Construction Program and its corresponding advisory committee.

Section 1 explains the definitions and you will note that the federal action is defined as 42 USC 300k. What this really means is that this is the Federal Health Planning and Resources Development Act of 1974, Public Law 93-641.

Section 2 is an attempt to make a clear statement of purpose. It was our feeling that the purposes of the old Comprehensive Health Planning agency needed to be more explicit with the assumption of the expanded duties brought about by the new federal act.

Section 3 of the bill provides for the reorganization of the advisory council. The federal law is very explicit as to the membership on this council and, therefore, these changes are being made.

Section 4 brings the council memberships, appointments and replacements in line with the Governor's recommendations of the Boards and Commissions study and subsequently, A.B. 278.

Section 5 outlines the duties of the Council.

Section 6 covers the certificate of need function. These functions are stated in this form to assist in clarifying the need to contain the rapidly rising costs of health care.

Sections 7, 8 and 9 provide for the establishment of the state agency within the Department of Human Resources, defines its duties and provides for injunctive relief.

The establishment of this agency in state law is a requirement of the federal act and should this not be accomplished, the federal government would assume the responsibilities, thereby possibly affecting the expenditure of eight million dollars of federal funds available to the state.

Sections 10, 11 and 12 amend NRS 449 as they pertain to the Hill-Burton Construction Program and the Hill-Burton Advisory Committee. This program will be assumed within the Office of Health Planning and the responsibilities of the advisory committee will be assumed by the new State Health Coordinating Council.

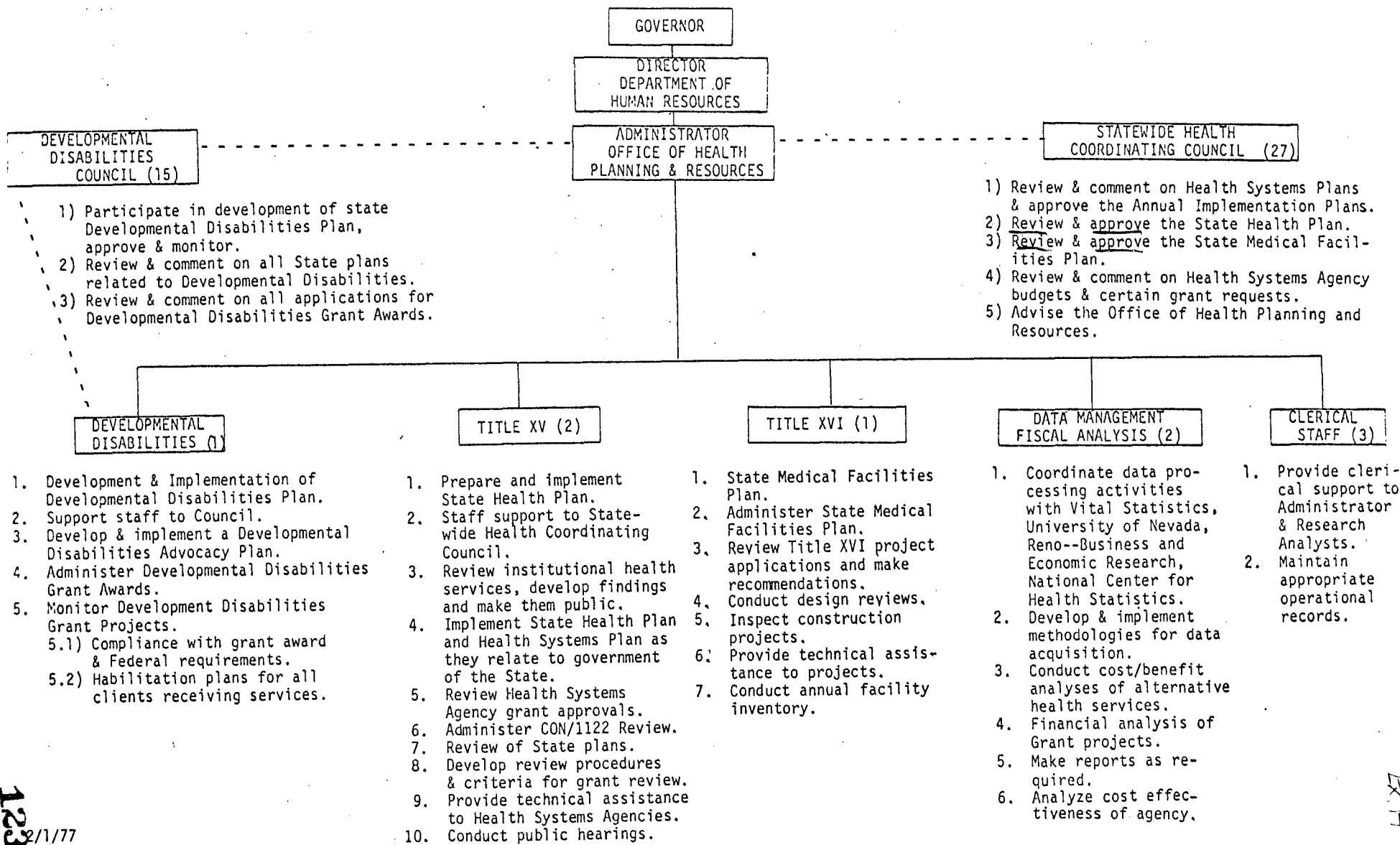
Section 13 repeals those sections of NRS 439A and 449 which

are made inapplicable by this bill.

Sections 14 through 17 handle the required logistics of the change brought about because of the bill.

We have included in our handout, copies of this statement, a comparison of the current law NRS 439A and the changes to be made with SB 194, and a functional organization chart of the new agency.

<u>COUNCIL</u>	<u>STATE HEALTH COORDINATING COUNCIL</u>	<u>COMPREHENSIVE HEALTH PLANNING - ADVISORY COUNCIL</u>
<u>MEMBERSHIP</u>	STATE HEALTH COORDINATING COUNCIL 26 Members - 8 Greater Nevada Health Systems Agency, 8 Health Systems Agency of Clark County, 10 Governor appointees, 1 ex-officio Veteran's Administration, - 50 % or more consumers.	COMPREHENSIVE HEALTH PLANNING - ADVISORY COUNCIL - 11 Members appointed by the Governor - 6 consumers, 5 providers.
<u>CHAIRMAN</u>	Selected by STATE HEALTH COORDINATING COUNCIL membership.	Appointed by Governor.
<u>TERMS</u>	3 years (alternating) limited to two consecutive terms.	4 years (alternating) no limit to number of terms.
<u>HEALTH PLANNING AGENCY</u>	OFFICE OF HEALTH PLANNING AND RESOURCES - in the Department of Human Resources.	COMPREHENSIVE HEALTH PLANNING AGENCY in the Governor's Office.
<u>COUNCIL DUTIES</u>	<ol style="list-style-type: none"> 1. Prepare State Health Plan, periodically review and revise. 2. Coordinate plans of the Health Systems Agencies and comment on. 3. Annually review Health Systems Agencies plans and budgets. 4. Review State Plans specific to health. 5. Review applications for federal grants related to health care. 6. Advise Office of Health Planning and Resources concerning health planning functions. 7. Hold public meetings. 	<ol style="list-style-type: none"> 1. Develop a State Comprehensive Health Plan. 2. May require State and other public agencies to submit data in publicly administered or financed health programs. 3. Advise Comprehensive Health Planning agency. 4. Approve the State Comprehensive Health Plan. 5. Review the budget of the Comprehensive Health Planning Agency. 6. Approve Certificate of Need. 7. Hold public meetings.
<u>AGENCY DUTIES</u>	Provide staff support to the Council. Perform state health planning and development functions. Develop health resources. Adopt regulations. Require providers of Health Care to make Statistical and other reports, conduct Certificate of Need review and approve or deny, administer Hill-Burton program.	Provide staff support to the Council. Carry out State Plan. Conduct Certificate of Need and recommend to Council.



HEALTH AND WELFARE COMMITTEE MINUTES
Wednesday, March 23, 1977

GUESTS

Frank Holzhauser	Department of Human Resources
Jim Hannah	Environmental Protection Services
Myrl Nygren	Health Planning & Resources
Carl Dahlen	Carson Regional Council on Alcohol and Drug Abuse
John Carr	Health Division
Ace Martell	Welfare Division
Robert Holland	counsel - Welfare Division
Mike Fondi	Carson City District Attorney
Richard Nutley	Clark County Health Systems Agency
Ken Newcomb	Greater Nevada Health Systems Agency
Earl Yamashita	Welfare Division
Fred Hillerby	Nevada Hospital Association
Bud Reveley	St. Mary's Hospital
William LaBadie	Welfare Division
Susan Haase	Nevada Assn. Retarded Citizens
Jim Joyce	Nevada Hospital Association