

MINUTES

WAYS AND MEANS COMMITTEE AND SENATE FINANCE COMMITTEE

NEVADA STATE LEGISLATURE - 60th SESSION

March 6, 1979

Chairman Mello called the meeting to order at 8:00 a.m.

PRESENT: Chairman Mello, Vice-Chairman Bremner, Mr. Barengo, Mrs. Cavnar, Mr. Glover, Mr. Hickey, Mr. Rhoads, Mrs. Vergiels, Mrs. Wagner, and Mr. Webb.

ABSENT: Mr. Mann (ill)

Chairman Mello introduced Dr. Ralph DiSibio to the joint Committee to detail changes being proposed in the Administrative Structure of the Division of Mental Hygiene and Mental Retardation.

Dr. DiSibio said that the primary purpose of the proposed re-organization and its timing is to ensure the Governor and the Legislature that the Division is prepared to manage effectively the present programs and those new programs being requested. The purpose is not to save money, abolish positions, or dismiss personnel, though these may be the results. He added that a great deal of money has been received for these services in the last ten years which have been used for much needed staff, programs, and buildings with more needed in the future as the Governor Recommended budget indicates.

Senator Lamb asked if there would be any curtailment of programs. Dr. DiSibio said that there would be no curtailment.

Dr. DiSibio said that rapid growth is probably the major reason for the current problems. He went on to enumerate the other problems: lack of coordination, autonomy of agencies, span of control, equal models for unequal purpose, management cost/service cost, structure duplication, administrative definition, and lack of psychiatric input. He said that all of these problems are reflected in the current organizational structure.

Dr. DiSibio explained the present organizational structure and furnished charts and other information with regard to changes in the structure, consolidation of functions, and deletion of staff. (See Exhibit "A") He said that the problems were created not by past legislation or past administrators, but by growth and the necessity of Nevada to provide a great number of programs in a very short period of time. The institutions and programs were all stamped out in the same mold.

Dr. DiSibio said that the existing span of control, with all of the institutions reporting directly to division administration, has led to many problems. He indicated that unequal distribution of management was caused by growth, in that each agency was built up pretty much the same with each being self-sufficient and not coordinated with sufficient direction. Each of the ten agencies has the same structure with a director without regard to the complexity of the institution, numbers of people being served, and sensitivities of the kinds of people being served.

Dr. DiSibio addressed the chart in the handout, "Inequity of Management Utilization," which shows the number of employees, in-patient beds, and out-patients in each program. He said that this shows the wide disparity, as at Lake's Crossing, with 43 employees and 27 in-patient beds, which has little relationship in terms of complexity and problems to the institute which has 245 employees, 126 in-patient beds, and handles 263 out-patient situations. He



said that this shows the need for specialized administration and management, and the current structure does not provide this -- all administrators are the same. Dr. DiSibio referred to the proposed organizational chart in the handout which addresses organizational problems and said that regional coordinators will be eliminated and used as both residential directors in the institutions as well as regional coordinators. This is the keystone of the restructure. Dr. DiSibio said that the Rural Clinic's program and the Henderson Mental Health Center would have directors because of the requested expansion at Henderson and the complexity of the program design. Children's Behavioral Services, Lake's Crossing, and Reno Mental Health Center would no longer have a director, but will have a clinician (a Psychologist II with a 50% increase in salary) to perform day-to-day supervision with a little administration. Dr. DiSibio explained that the positions of area coordinators will be at the Nevada Mental Institute and the Las Vegas Mental Health Center to provide more on-site supervision and on-site problem-solving as is necessary at these two agencies.

Dr. DiSibio said that the Nevada Mental Institute is the largest and most complex of all the agencies and would have an area coordinator as well as a director of day-to-day operations called the Medical Program Coordinator. In addition, Dr. DiSibio said that the current positions of Institute Director and Medical Director would be abolished and one medical coordinator, who would be a psychiatrist, would be established at a middle management level.

Senator Wilson asked if accountability would be diffused or direct. Dr. DiSibio said that over the years, there was, at least in chart form, direct accountability to the Division administrators which just could not exist with ten institutions all running and building programs.

Senator Wilson asked if this is a structural problem or a problem caused by the effectiveness and toughness of the Division Administrator. Dr. DiSibio said that effective supervision cannot be done and that there is a lack of coordination and control regardless of the administrator's strength.

Dr. DiSibio said that the cost savings of the proposed reconstruction will be about \$650,000, with an additional savings in consolidating some of the business functions which will result in about \$140,000, or a total savings of about \$790,000. Dr. DiSibio added that this savings was not the purpose or the design of the plan, although it is one of the results.

Dr. DiSibio assured the Committees that this plan is making every effort to cut out layers of administration and make more effective administrators. The plan does not address programs as every program that exists in the Mental Hygiene and Mental Retardation budget is essential with more needed in the future. Dr. DiSibio said that the programs the Governor has recommended are desperately needed and that he is trying to show the Committees that these agencies will be accountable for these programs and that the dollars will be spent effectively.

Senator McCorkle asked the number of positions to be eliminated. Dr. DiSibio said that six positions would be dropped.

Senator McCorkle asked how the clinician, such as at the Children's Behavioral Services, could administer 36 employees if he were not trained or hired for this supervision. Dr. DiSibio said that the present administrators are clinicians and have been supervising in the past. Dr. DiSibio said that the clinician should be and will be delivering services to people and that the area coordinator will assume the heavy administrative and policy development responsibilities.

Dr. DiSibio said that under the plan, the clinician would assume day-to-day clinical responsibilities and supervision and would devote

about 15% of his time to administration, with 85% devoted to the delivery of services to the people. He said that there would be problems, but that the reorganization would work.

The joint meeting of Ways and Means and Senate Finance adjourned at 8:30 a.m.

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1. Developmental History of Organizational Structure
2. Examples of Inadequate Coordination
3. Inequity of Management Utilization
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5. Proposed Organizational Structure
6. Consolidated Business Functions - Proposed Structure
7. Management Skills
8. Mental Health Management Locations
9. Other Details
10. Budgetary Figures

PAST

PROPOSED

- A. RAPID GROWTH = AUTONOMY
1. Buildings
  2. Programs
  3. Personnel Development
- B. AUTONOMY = LACK OF COORDINATION
- C. LACK OF COORDINATION = INEFFICIENT SERVICE DELIVERY
- D. DIRECTORSHIPS CREATED
1. Without regard to problems
  2. Without regard to complexity
  3. Without regard to sensitivity
  4. Without regard to numbers served
- E. DIRECTORS HIRED
1. Based on clinical success
  2. Based on advocacy success
  3. Based on clinical experience
- F. ALL COMPONENTS DUPLICATED
1. Business
  2. Grounds
  3. Program Evaluation
- G. SPAN OF CONTROL
1. All reported to division administrator
  2. Each dealt with all elements
    - a. Other Division
    - b. Public
    - c. Other State government agencies
    - d. Local government agencies
    - e. Courts
    - f. Press
    - g. Legislators
  3. Prepared own budgets
    - a. Much in isolation
    - b. Without regard to other programs or Division Goals

- A. Less Dramatic Growth
- B. Area Coordinator
- C. Efficient System
- D. Directors only exist where complexity and size require
- E. Policy will be based on graphics
- F. Phase I and Phase II will address
- G.
  1. Area coordinator will report to division deputy.
  2. Area coordinator will deal with others.
  3. Area coordinator will develop budgets in concert with goals.



EXAMPLES OF INADEQUATE COORDINATION

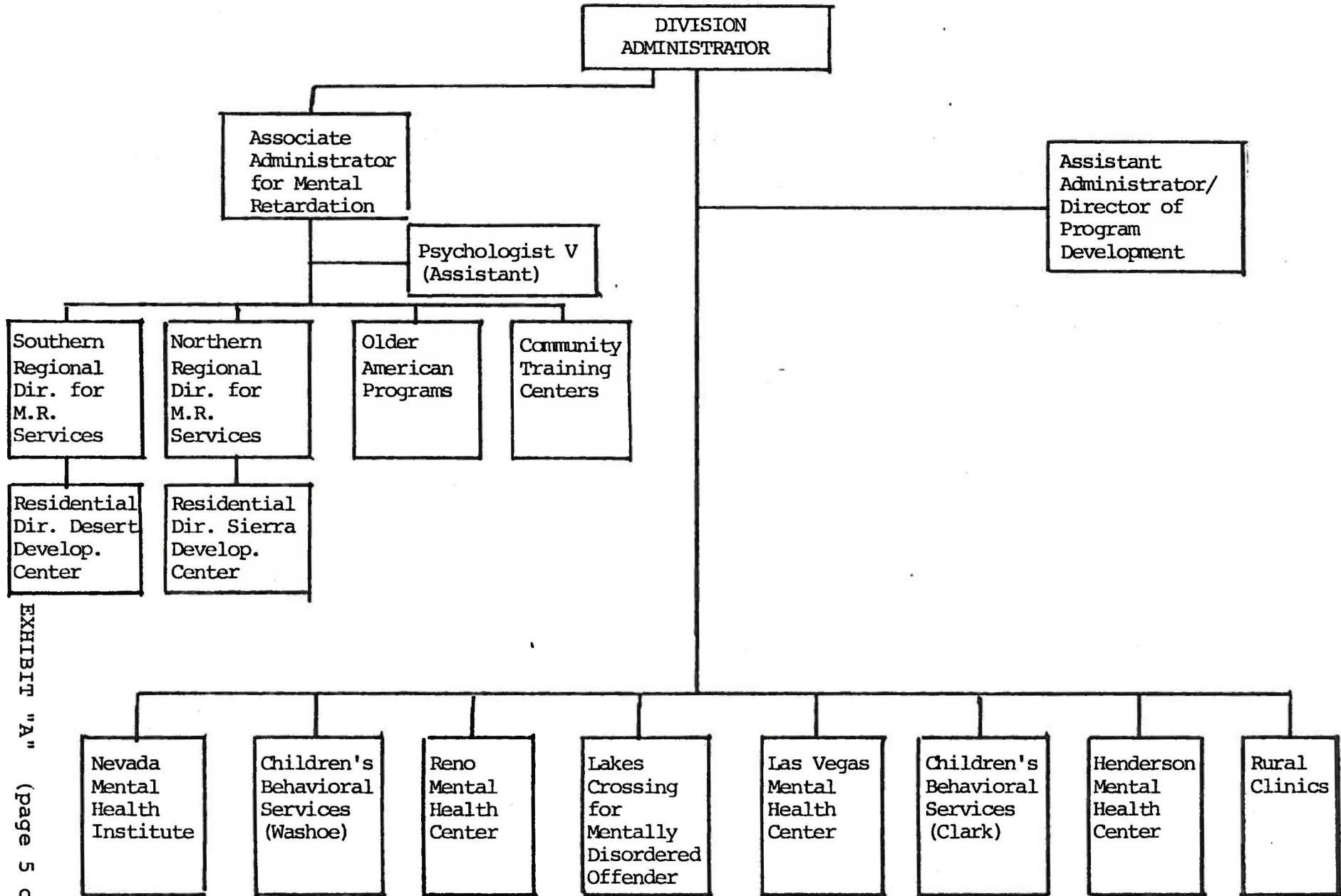
1. CBS - WASHOE - REFUSAL TO TAKE WELFARE CLIENT RESULTED IN A FOSTER HOME. FOSTER MOTHER WOUND UP IN HOSPITAL WITH STROKE.
2. TRANSFERS FROM LVMHC TO NMHI - AVERAGE IN-PATIENT STAY AT NMHI LOCAL CLIENT, 29 DAYS; LAS VEGAS CLIENT, 69 DAYS.\*  
\* OFTEN DELAY IN ARRANGING APPROPRIATE PLACEMENT FOR RETURN OF CLIENT.
3. PSYCHIATRIC TREATMENT FOR RETARDED CLIENTS - SIERRA DEVELOPMENTAL CENTER  
CLIENT: 4 ACUTE PSYCHOTIC EPISODES BEFORE ADMISSION WAS GAINED TO NEVADA MENTAL HEALTH INSTITUTE.
4. LAKES CROSSING TO OTHER FACILITIES - CLIENT WHO IS COMPETENT, UNDER NO CHARGES, REMAINED IN LAKES CROSSING FOR 7 MONTHS UNTIL ORDERED BY DIVISION ADMINISTRATOR TO DESERT DEVELOPMENTAL CENTER.
5. RURAL ADMISSIONS TO INSTITUTE - CLIENT FROM HAWTHORNE BROUGHT IN BY POLICE. WHILE POLICE OFFICER WRITING UP HIS REPORT AT INSTITUTE, CLIENT EVALUATED AS NOT ADMITTABLE AND HITCH-HIKED BACK TO HAWTHORNE, ARRIVING BEFORE POLICE OFFICER.

INEQUITY OF MANAGEMENT

UTILIZATION

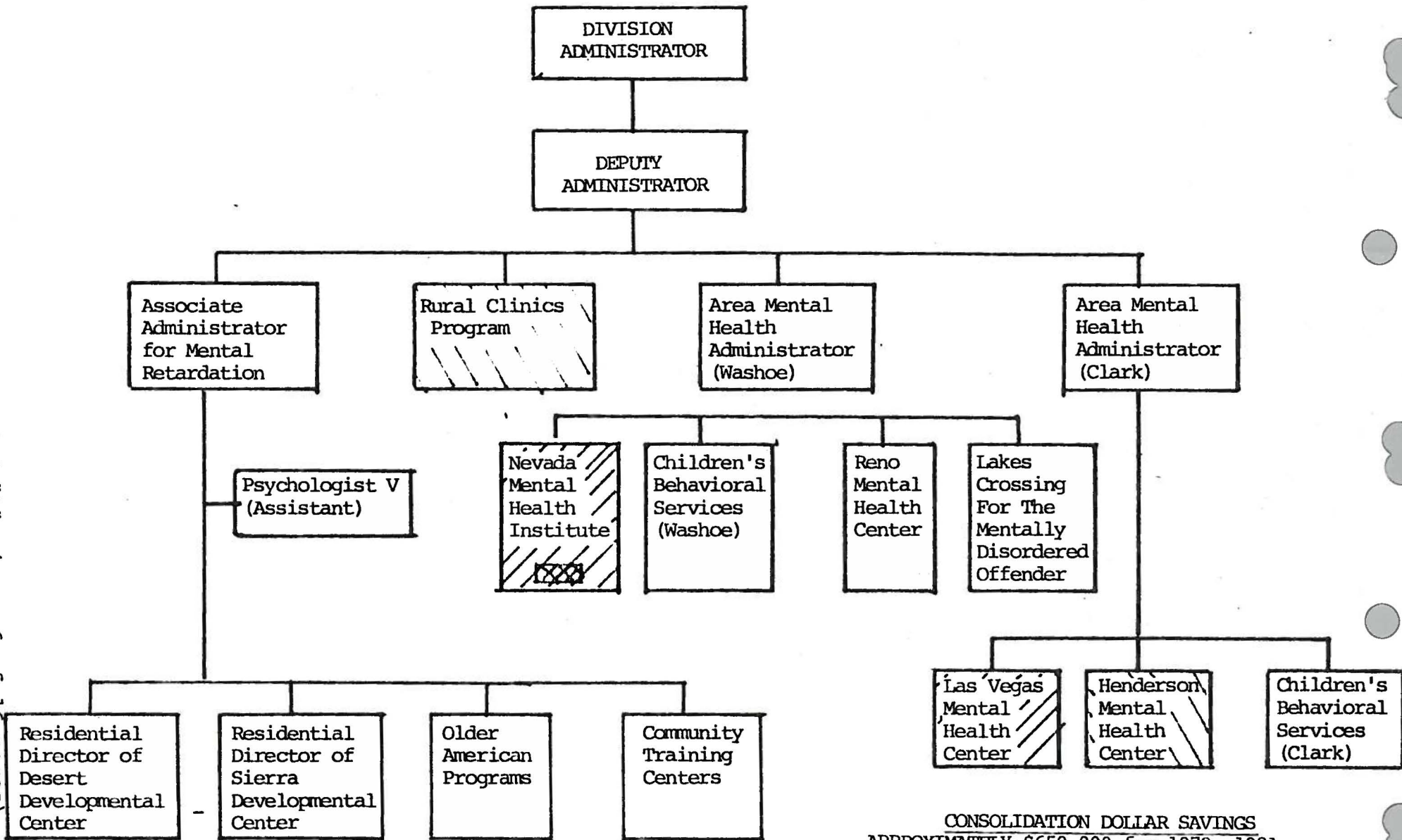
PROGRAM	EMPLOYEES	IN PATIENT BEDS	OUT PATIENT
INSTITUTE	245.5	126	263
RENO M.H.C.	23	6	482
CBS. WASHO.	37	16	151
LAS VEGAS M.H.C.	140.5	39	1,627
CBS L.V.	34.5	16	434
HENDERSON M.H.C.	16.5	-0-	552
RURAL CLINIBS	94.25	-0-	674
LAKES CROSSING	43	27	2
DESERT DEVELOP.	131.5	80	94
SIERRA DEVELOP.	126.5	88	76

CURRENT ADMINISTRATIVE STRUCTURE - DIVISION OF MENTAL HYGIENE & MENTAL RETARDATION



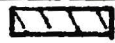


PROPOSED ADMINISTRATIVE STRUCTURE - DIVISION OF MENTAL HYGIENE & MENTAL RETARDATION



CONSOLIDATION DOLLAR SAVINGS  
APPROXIMATELY \$650,000 for 1979- 1981

LEGEND



Remaining Directors

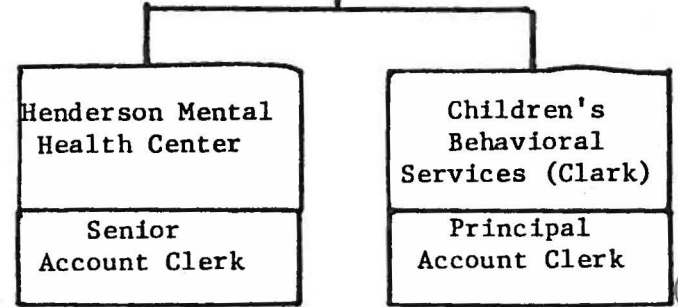
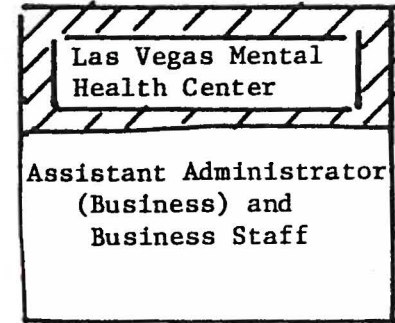
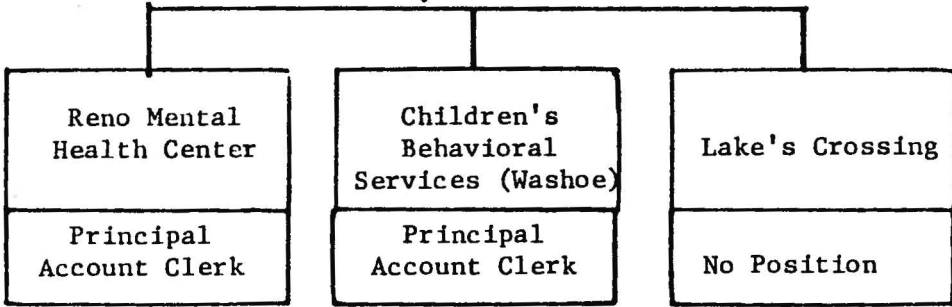
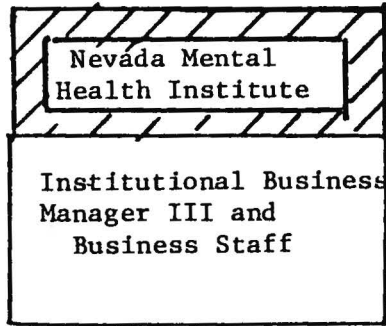


Location of Area Mental Health Administrators



Psychologist V's + 5% Clinical Supervisors

CONSOLIDATED BUSINESS FUNCTIONS  
(Proposed Structure)



CONSOLIDATION DOLLAR SAVINGS

APPROXIMATELY \$140,000 for 1979 - 1981

PRESENT SKILLS

	Agency	Division	Department
Clinical			
Management			

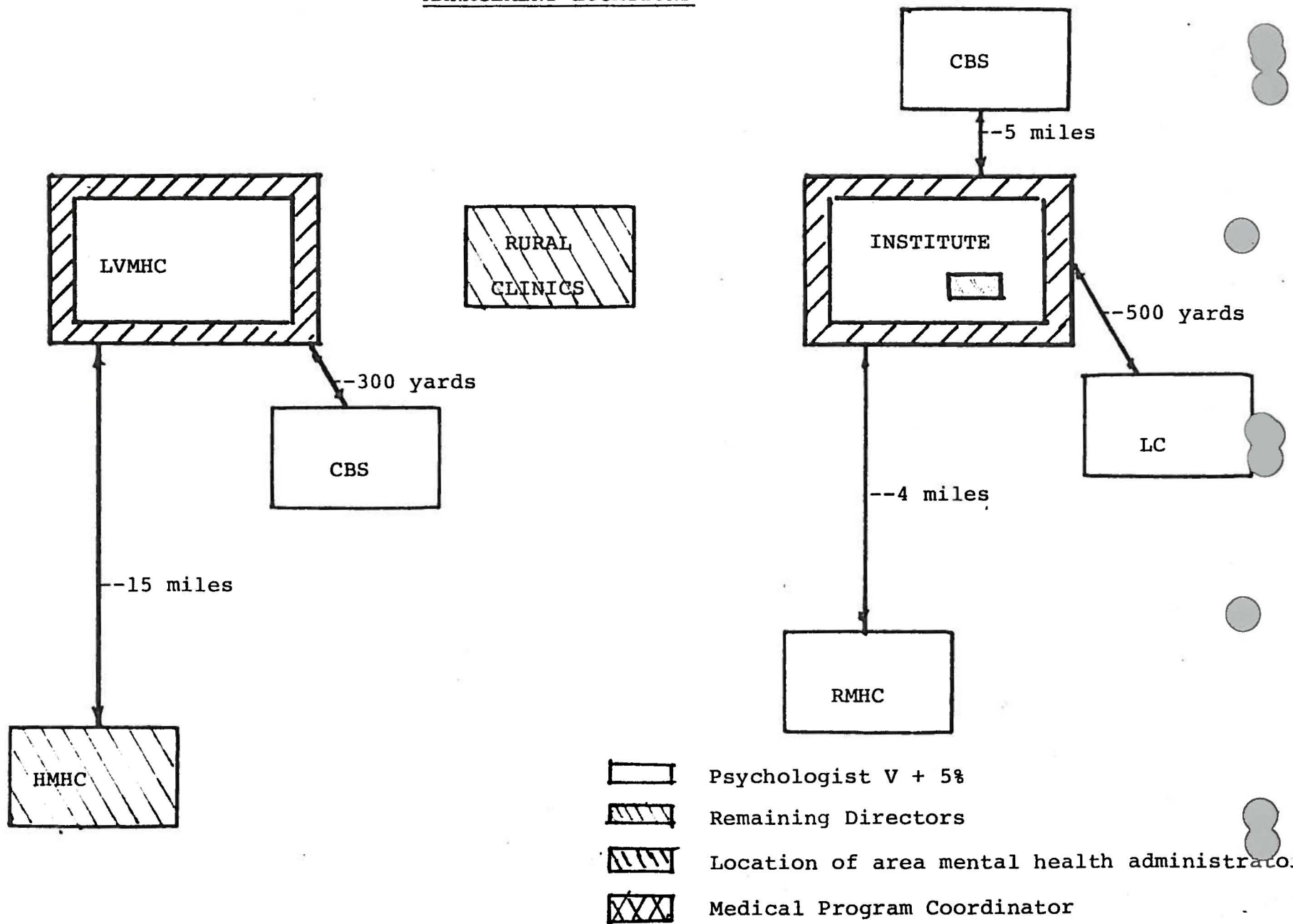
NEEDED SKILLS

Dept. Head	Agency	Area	Division	Department

MANAGEMENT SKILLS



MENTAL HEALTH  
MANAGEMENT LOCATIONS



OTHER DETAILS

I. Psychiatric Services at Nevada Mental Health Institute

Action

The Division will request the money committees of the Legislature to eliminate all psychiatric positions at the Institute and to place the salaries associated with those positions into the Contractual Services budget category.

Outcome

- (1) Current psychiatrists at the Institute are eliminated.
- (2) Psychiatric services will be purchased through contract with Board-certified, community-based psychiatrists.
- (3) Better quality psychiatric care for the clients of the Institute.

II. Consolidation of Program Evaluation

Action

- (1) Delete request for Chief of MH-MR Evaluation for Division Central office (page 303 in budget).
- (2) Fill Division-wide evaluation function by transfer of Psychologist V position currently vacant in Institute budget (page 309 in budget).
- (3) Other agencies will retain program evaluation personnel.

Outcome

Savings - approximately \$50,000 over biennium.

III. Administration of the Nevada Mental Health Institute

Action

- (1) Eliminate the current position of the Institute Director.
- (2) Eliminate the current position of Medical Director at the Institute.
- (3) Hire a psychiatrist who will be titled Medical Program Coordinator who will supervise the clinical programs of the Institute and provide medical direction to the programs. This person will be hired through use of the salaries of the eliminated positions and salary will be supplemented by a liaison relationship with UNR Medical School.

III. (continued)

Outcome

- (1) Better management of psychiatric and medical services to clients of the Mental Health Institute.
- (2) Increased coordination between Division programs and the Medical School.
- (3) Increased psychiatric input into the management structure of the Division.

IV. Accountability/Centralization of Training and Non-Medical Contractual Monies

Action

- (1) The Division, with approval of the legislative money committees, would centralize training and non-medical contractual monies.
- (2) Training and contractual activities proposed by the various agencies would require approval of the central office of the Division.

Outcome

- (1) Better management control of training and contractual monies.
- (2) Possible proposed budget cuts within these two budget categories representing savings in state-appropriated dollars.



<u>Budget #</u>		<u>79-80</u>	<u>80-81</u>
3168	<u>Division of Mental Hygiene and Mental Retardation</u>		
	P. 303 Chief of MH-MR Evaluation *	\$ 21,102.00	\$ 22,104.00
	P. 303 Assistant Administrator, MH	29,325.00	29,385.00
	Add 15%, indirect costs	<u>7,564.00</u>	<u>7,723.00</u>
	Total Delete Division of MH, MR	\$ 57,991.00	\$ 59,212.00

MENTAL HEALTH

SOUTH

3161	<u>Las Vegas Mental Health Center</u>		
	P. 326 Clinic Director III	\$ 29,325.00	\$ 29,329.00
3646	<u>C.B.S., Las Vegas</u>		
	P. 334 Clinic Director III	\$ 32,246.00	\$32,246.00
	P. 334 Inst. Business Manager II	18,524.00	19,409.00
	P. 334 Senior Account Clerk	9,796.00	10,227.00
		<u>\$ 89,891.00</u>	<u>\$91,207.00</u>
	Add 15% indirect costs	<u>13,484.00</u>	<u>13,681.00</u>
	Total Delete M.H. South	\$103,375.00	\$104,888.00

NORTH

3162	<u>Nevada Mental Health Institute</u>		
	P. 309 Institute Director	\$ 35,000.00	\$ 35,000.00
	P. 309 Psych. V (Program Evaluator)	23,160.00	24,271.00
	P. 311 Sr. Psychiatrist, Rg C	44,416.00	44,416.00
3647	<u>Reno Mental Health Center</u>		
	P. 317 Clinic Director III	\$ 26,674.00	\$ 26,674.00

(continued)

Budget #		<u>79-80</u>	<u>80-81</u>
3281	<u>C.B.S., Washoe</u>		
	P. 321 Clinic Director III	\$ 32,246.00	\$ 32,246.00
	P. 321 Account Clerk	10,029.00	10,474.00
3645	<u>Facility for the Mental Offender</u>		
	P. 350 Clinic Director III	\$ 32,246.00	\$ 32,246.00
	P. 350 Inst. Business Manager I	<u>19,792.00</u>	<u>20,785.00</u>
		\$223,563.00	\$226,112.00
	Add 15% indirect costs	<u>33,534.00</u>	<u>33,917.00</u>
	Total Delete M.H. North	\$257,097.00	\$260,029.00

MENTAL RETARDATION

SOUTH

3279	<u>Southern Nevada M.R. Services</u>		
	P. 359 Clinic Director III	\$ 32,246.00	\$ 32,246.00
	Add 15% indirect costs	<u>4,837.00</u>	<u>4,837.00</u>
	Total Delete M.R. South	\$ 37,083.00	\$ 37,083.00

NORTH

3280	<u>Northern Nevada M.R. Services</u>		
	P. 364 Clinic Director III	\$ 32,246.00	\$ 32,246.00
	Add 15% indirect costs	<u>4,837.00</u>	<u>4,837.00</u>
	Total Delete M.R. North	\$ 37,083.00	\$ 37,083.00

- TOTAL DELETE -

Division of Mental Hygiene, Mental Retardation	\$ 57,991.00	\$ 59,212.00
Mental Health South	135,089.00	137,937.00
Mental Health North	257,097.00	260,029.00
Mental Retardation South	37,083.00	37,083.00
Mental Retardation North	<u>37,083.00</u>	<u>37,083.00</u>
TOTAL DELETE	\$ 524,343.00	\$ 531,344.00

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TRANSFER

MENTAL HEALTH

From NMHI, P. 312	Sr. Account Clerk	To R.M.H.C., P. 317
From R.M.H.C., P. 317	Accountant	To NMHI, P. 312
From C.B.S., Washoe, P. 321	Business Manager	To NMHI, P. 311 (function as Mgt. Analyst)
From NMHI, P. 309	Psychologist V	To DMHMR, P. 303 (to serve as Chief of Program Evaluation)



ADD

<u>Budget #</u>		<u>79-80</u>	<u>80-81</u>
3168	<u>Division of Mental Hygiene and Mental Retardation</u>		
	P. 303 Deputy Administrator MH/MR (U)	\$ 35,000.00	\$ 35,000.00
	P. 303 Area M.H. Coordinator, North (U)	33,000.00	33,000.00
	P. 303 Area M.H. Coordinator, South (U)	<u>33,000.00</u>	<u>33,000.00</u>
		\$101,000.00	\$101,000.00
	Add 15% indirect costs	<u>15,150.00</u>	<u>15,150.00</u>
	Total Add, Division of MH & MR	\$116,150.00	\$116,150.00

MENTAL HEALTH

## SOUTH

3161	<u>Las Vegas Mental Health Center</u>		
	P. 326 +5% (supervision) Psychologist V	\$ 1,400.00	\$ 1,400.00
3646	<u>C.B.S., Las Vegas</u>		
	P. 334 +5% (supervision) Psychologist V	\$ 1,400.00	\$ 1,400.00
3169	<u>Henderson Mental Health Center</u>		
	P. 339 +5% (supervision) Psychologist V	\$ <u>1,400.00</u>	\$ <u>1,400.00</u>
		\$ 4,200.00	\$ 4,200.00
	Add 15% indirect costs	<u>630.00</u>	<u>630.00</u>
	Total Add, M.H. South	\$ 4,830.00	\$ 4,830.00

## NORTH

3162	<u>Nevada Mental Health Institute</u>		
	P. 309 Inst. Medical Prog. Coordinator (U)	\$ 47,500.00	\$ 47,500.00
	P. 309 50% Psych. III (to be added to existing Psych. III position)	\$ 9,281.00	\$ 9,747.00
3647	<u>Reno Mental Health Center</u>		
	P. 317 + 5% (supervision) Psychologist V	\$ 1,400.00	\$ 1,400.00
3281	<u>C.B.S., Washoe</u>		
	P. 321 + 5% (supervision) Psychologist V	\$ 1,400.00	\$ 1,400.00

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<u>Budget #</u>		<u>79-80</u>	<u>80-81</u>
3645	<u>Facility for the Mental Offender</u>		
	P. 350 + 5% (supervision) Psychologist V	\$ 1,400.00	\$ 1,400.00
		\$ 60,981.00	\$ 61,447.00
	Add 5% indirect costs	\$ 9,147.00	\$ 9,222.00
	Total Add, M.H. North	\$ 70,128.00	\$ 70,669.00

- TOTAL ADD -

Division of MH & MR	\$116,150.00	\$116,150.00
Mental Health South	4,830.00	4,830.00
Mental Health North	<u>70,128.00</u>	<u>70,128.00</u>
TOTAL ADD	\$191,108.00	\$191,649.00

TOTAL DOLLAR DIFFERENCE

TOTAL DELETE	\$528,044.00	\$533,824.00
TOTAL ADD	- <u>191,108.00</u>	- <u>191,649.00</u>
	\$336,936.00	\$342,175.00

TOTAL COMBINED SAVINGS BOTH YEARS \$679,111.00