

MEMBERS PRESENT: Mr. Bennett (Late)  
Mr. Chaney (Late)  
Mr. Dini  
Mr. DuBois  
Mr. Jeffrey  
Mr. Kovacs  
Mr. Prengaman  
Mr. Robinson

MEMBERS ABSENT: Mr. Brady  
Mr. Bremner (Excused)  
Mr. Rusk (Excused)

GUESTS PRESENT: See Attached Guest List

Chairman Robinson called the meeting to order at 2:08 in Room 200 of the Legislative Building. He asked the Committee members to peruse the minutes from the meetings on February 12, 18, 24, and 25 and noted that if there were no corrections, a motion would be entertained to approve the minutes as submitted at the close of the day's meeting.

The Chairman listed several bill draft requests that required Committee introduction. He indicated that the first request pertained to the law governing professional engineers. Two other requests, which would go to Ways and Means, dealt with the investigating powers of the Insurance Commission and the system for monitoring carriers. A forth request involved restrictions on the ownership of greyhounds and race horses in Nevada.

The motion to introduce the bill draft requests was made by Mr. Kovacs and seconded by Mr. Prengaman.

Dr. Robinson also introduced BDR 54-1131<sup>\*</sup>, an act relating to contractors imposing certain financial requirements for the protection of subcontractors and employees on construction projects providing other matters relating thereto. The motion to introduce the bill was made by Mr. Prengaman and seconded by Mr. Jeffrey. The Committee members present voted unanimously to introduce BDR 54-1131 and to request bill drafts as noted above.

Dr. Robinson requested that the members take action on A.B. 66, noting that Mr. DuBois had met with members of the utility companies and the Public Service Commission in an effort to determine the feasibility of implementing the bill.

A.B. 66: Requires competitive bidding on certain projects of public utilities.

Mr. DuBois indicated that, after he had received input in the

form of personal conversations as well as correspondence, he had come to the following conclusions:

1. The cost of administering the provisions of the bill would be considerable.
2. Management would lose the right to evaluate the qualifications and capabilities of bidders and possibly be forced into accepting inferior products and workmanship.
3. The ability of management to evaluate the past performance of contractors would be eliminated resulting in mediocre performances and possible safety problems.
4. The ability of management to negotiate contracts would be taken away.
5. Costly delays would result.
6. Purchases of supplies from out-of-state suppliers would be hampered because of the advertising requirements.
7. Restrictions would be placed on services performed "in house".

Mr. DuBois remarked that because of the above reasons, he felt the bill would be counter productive and recommended that the Public Service Commission look into any questionable purchasing practices during rate hearings as an alternative to A.B. 66.

Dr. Robinson requested that Mr. DuBois leave a copy of his report and any pertaining correspondence with the Committee Secretary, which he did, and it is marked EXHIBIT A.

Mr. Prengaman added that he felt passage of A.B. 66 might also result in problems arising with existing contracts.

A motion was made by Mr. Jeffrey to INDEFINITELY POSTPONE A.B. 66. The motion was seconded by Mr. Prengaman and passed with a unanimous vote of the members with Mr. Brady, Mr. Bremner and Mr. Rusk recorded as absent. (SEE LEGISLATION ACTION FORM ATTACHED)

Dr. Robinson then remarked that there had been no changes or amendments made to A.B. 110 and that the Committee would vote on that bill.

A.B. 110:                    Changes certain provisions of law regulating audiology and speech pathology.

A motion was made to DO PASS A.B. 110 by Mr. Kovacs. The motion was seconded by Mr. Bennett and passed with the unanimous vote of the Committee with Mr. Brady, Mr. Bremner and Mr. Rusk recorded

as absent. Dr. Robinson stated that he would handle the bill on the floor. (SEE ATTACHED LEGISLATION ACTION FORM)

The next bill to come up for a vote was A.B. 111.

A.B. 111:                    Specifies primary and excess liability insurance when two or more policies are in effect for same motor vehicle.

Dr. Robinson indicated that there had been no opposition to the bill, nor had there been any recommendations for amendments. Mr. Jeffrey made the motion to DO PASS A.B. 111, and the motion was seconded by Mr. Prengaman. After a brief explanation of the bill by Mr. Kovacs, the Committee voted unanimously to pass A.B. 111 with Mr. Brady, Mr. Bremner and Mr. Rusk being recorded as absent. (SEE ATTACHED LEGISLATION FORM). Mr. Prengaman volunteered to handle the floor work on the bill.

The first bill for hearing was S.B. 133.

S.B. 133:                    Eliminates regulation of air carriers by public service commission.

Mr. Heber Hardy, Commissioner of the Public Service Commission, presented the bill to the Committee. Mr. Hardy opened his comments by saying, "S.B. 133 is strictly a housekeeping bill." He stated that the "Airline Deregulation Act of 1978 virtually preempted regulation of air carriers in the state of Nevada," and that the Public Service Commission immediately cancelled all certificates and all tariffs related to the major, interstate carriers. For a period of time, no action was taken on all of the other, smaller carriers because of the uncertainty of the status relating to these carriers.

After considerable research into the matter, it was determined that regulation of all carriers was preempted by the Airline Deregulation Act of 1978, and notice was given by the PSC that it was their intent to cancel all certificates and all tariffs. Mr. Hardy noted that no adverse comment was received concerning the matter, so the Public Service Commission, "Did in fact, cancel all certificates and all tariffs of all air carriers in the state of Nevada." Mr. Hardy stated that S.B. 133 is intended to remove the responsibility for the regulation of air carriers by the PSC from the statutes.

Dr. Robinson asked if the bill affected schools in any way. Mr. Hardy responded that the PSC had no jurisdiction over such schools.

Mr. DuBois asked who was responsible for handling the safety of air carriers. Mr. Hardy answered that the FAA handled safety. He added that the PSC never did get involved or have jurisdiction over the safety of carriers. He indicated that the PSC had the

responsibility of setting rates and service schedules within the state of Nevada.

Dr. Robinson asked Mr. Hardy what would be the effect if the bill was left on the records. Mr. Hardy responded that there would be a possibility of legal action resulting because there was a bill on the books requiring the PSC to regulate something that it was not. He added that the Public Service Commission wanted the statutory requirement for regulation removed.

There being no further discussion on S.B. 133, the Chairman moved the hearing to A.B. 192.

A.B. 192: Authorizes pharmacists to fill prescriptions from outside state with substitute for drug named.

Addressing A.B. 192, Assemblyman Jeffrey, District 22, remarked that the bill had originated from one of his constituents who is the legislative chairman for The American Association of Retired People. He indicated that some problems have arisen where people have gone to doctors outside of Nevada and have been unable to have prescriptions from those doctors filled within the state with a generic equivalent.

Mr. Jeffrey indicated that, if the Committee felt a need, some people from the American Association of Retired People Pharmacy would be happy to come to Carson City to provide testimony on A.B. 192. Mr. Jeffrey added that approximately 48 other states allow the use of generic substitutions, but said that those numbers may not be entirely accurate.

Mr. Orvis Reil, representing a joint committee with the American Association of Retired People, came forward to testify as a proponent for A.B. 192. He stated that unless the bill is passed, a pharmacy will not be able to substitute a generic drug on a prescription that is written by a doctor in another state. Mr. Reil indicated that his association would like to see lines 15, 16, and 17 removed from the bill; however, they would accept the bill in its present state but would much prefer to have the lines mentioned removed.

Speaking next was Mr. George R. Tucker, Executive Director/Secretary of the Nevada State Board of Pharmacy. With Mr. Tucker was Frank Titus, Chairman of the Board of Pharmacy. Mr. Tucker stated that there were several problems with A.B. 192 as it is written. The primary objection expressed by Mr. Tucker is the fact that, "we are giving a practitioner outside of the state of Nevada a privilege that we don't even let our own practitioners have within the state." He also said, "A physician outside of the state of Nevada does not even have to give permission to substitute a drug in the state of Nevada, and I'm sure that all of you are aware that the standard that is set by the FDA of plus or minus 10% of the quality of the drug." He suggested that the wording



should be changed to reflect that if the physician outside of the state "gave permission to substitute" the pharmacist could substitute and the prescription could then be sent out of the state. Mr. Tucker stressed that as the bill is now written, it would take the doctor's prescribing rights away from him and the pharmacist could be liable.

Dr. Robinson asked Mr. Tucker if any prescriptions were now verified prior to being filled. Mr. Tucker, "No." He went on to give a description of a two-line prescription form that would allow the doctor to sign on one side if he wanted the prescription filled as written, and on the other side if a substitute would be permitted. Mr. Tucker also said that the bill as it is now written would "destroy what we have as a definition for a prescription in the state of Nevada."

Dr. Robinson indicated that now even if a doctor from another state specifically stated that a substitution could be made, the pharmacists in Nevada would be unable to make the substitution. Mr. Tucker confirmed Dr. Robinson's statement.

Mr. Titus stated that he was concerned with the liability that might be incurred by a pharmacist who substituted a generic drug for a brand name drug. Mr. Jeffrey responded that if A.B. 192 were amended into NRS 639.2595 the disclaimer in the chapter now would cover the problem.

Dr. Robinson asked if substitutions were being done regularly. Mr. Tucker answered that there had been a problem with implementing substitution because the FDA had been late in getting the Generic Equivalency to the public. He indicated that the book was now available and "If the substitution bill isn't going out, it's because the pharmacies don't want it to go."

Some discussion ensued concerning the law that had been passed two years ago relating to the return of sealed packages of medication to manufactures. The net result of the conversation was that medication that was still sealed could be returned to the manufacturer and that no regulations had been published because there was no need for any such regulations.

Returning to the discussion of A.B. 192, Dr. Robinson asked Mr. Tucker if there were objections to an out of state prescription being filled with a substitution if the prescription had the same information on it as a local prescription would. Mr. Tucker indicated that there would be no objection, but added that such an out of state prescription should be filled only once. He gave another explanation of the "two-line prescription blank."

In response to a question from Dr. Robinson, Mr. Tucker indicated there was no control at all on prescriptions that came from outside of the state.

Mr. Chuck Knaus, with the Insurance Commission, noted that initially

his department had thought that A.B. 192 would have an impact on the liability insurance purchased by drugists; however, the disclaimer "later in the law" takes care of the concern that the Insurance Commission had.

Keith McDonald, from the Nevada Medicaid Office, offered an amendment to the bill, EXHIBIT B, and some statistics relating to the cost of Medicaid prescriptions, EXHIBIT C. Mr. McDonald indicated that the amendment and statistics were pertaining to patients in long term care, and that the ability of pharmacists to substitute drugs to this type of patient would result in a savings of between \$60,000 and \$120,000 annually. When questioned if he recommended any other changes or amendments to the bill, Mr. McDonald stated that he had no recommendations.

Mr. Dini asked if the Committee adopted Mr. McDonald's proposed amendment, what was to prevent the patient himself from checking that he wanted a substitute drug. Mr. McDonald reassured Mr. Dini that the patient would not have access to the physician's order sheet and that this would not be on the patient's prescription.

Mr. Tucker, from the audience, added that the Board of Pharmacy was in support of the added amendment.

Mr. John Adams, representing the Nevada Pharmacy Association, commented that parts of A.B. 192 "are lacking." He gave the example that every patient had the opportunity to ask his doctor to write a prescription for a generic drug. He added that we do already have a generic drug law in effect in Nevada. Mr. Adams remarked that by permitting mail order prescriptions to be filled by a generic substitute, "The patient has lost the professional relationship between himself and the pharmacist." He added that there would not be a substantial cost savings to the patient in mail order prescriptions, and that he did not feel the bill was beneficial to the public. Mr. Adams said that his association was opposed to the bill as it stands but could possibly come to some mutual agreements with an amendment.

There being no further testimony on A.B. 192, Dr. Robinson concluded the hearing on that bill.

Dr. Robinson asked the secretary to change the agenda for the meeting on March 11, 1981 to show 3:00 p.m. as being the time of the meeting instead of 2:00. He also asked for a motion to approve the minutes. The motion was made by Mr. Chaney and seconded by Mr. Jeffrey with a unanimous vote of the members present.

There being no further business, the meeting was adjourned at 3:08 p.m.

Respectfully submitted,



Evelyn Edwards, Committee Secretary

(Committee Minutes)

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61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE March 4, 1981

SUBJECT A.B. 66: Requires competitive bidding on certain projects of public utilities.

MOTION:

Do Pass        Amend        Indefinitely Postpone   X   Reconsider       

Moved By Mr. Jeffrey Seconded By Mr. Prengaman

AMENDMENT:

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\_\_\_\_\_  
\_\_\_\_\_

Moved By \_\_\_\_\_ Seconded By \_\_\_\_\_

AMENDMENT:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Moved By \_\_\_\_\_ Seconded By \_\_\_\_\_

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
BENNETT	X	_____	_____	_____	_____	_____
BRADY	absent	_____	_____	_____	_____	_____
BREMNER	absent	_____	_____	_____	_____	_____
CHANEY	X	_____	_____	_____	_____	_____
DINI	X	_____	_____	_____	_____	_____
DUBOIS	X	_____	_____	_____	_____	_____
JEFFREY	X	_____	_____	_____	_____	_____
NOVACS	X	_____	_____	_____	_____	_____
PRENGAMAN	X	_____	_____	_____	_____	_____
RUSK	absent	_____	_____	_____	_____	_____
ROBINSON	X	_____	_____	_____	_____	_____
TALLY:	8	0	_____	_____	_____	_____

ORIGINAL MOTION: Passed   x   Defeated        Withdrawn       

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

Attached to Minutes March 4, 1981

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE March 4, 1981

SUBJECT A.B. 110: Changes certain provisions of law regulating audiology and speech pathology.

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Kovacs Seconded By Mr. Bennett

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes/No), AMEND (Yes/No), AMEND (Yes/No). Rows include names like BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, RENGAMAN, RUSK, ROBINSON and a TALLY row showing 8 for Yes and 0 for No.

ORIGINAL MOTION: Passed X Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes March 4, 1981



61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE March 4, 1981

SUBJECT A.B. 111: Specifies primary and excess liability insurance when two or more policies are in effect for same vehicle

MOTION:

Do Pass X Amend \_\_\_\_\_ Indefinitely Postpone \_\_\_\_\_ Reconsider \_\_\_\_\_

Moved By Mr. Jeffrey Seconded By Mr. Prengaman

AMENDMENT:

Moved By \_\_\_\_\_ Seconded By \_\_\_\_\_

AMENDMENT:

Moved By \_\_\_\_\_ Seconded By \_\_\_\_\_

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
BENNETT	<u>X</u>	_____	_____	_____	_____	_____
BRADY	<u>absent</u>	_____	_____	_____	_____	_____
BREMNER	<u>absent</u>	_____	_____	_____	_____	_____
CHANEY	<u>X</u>	_____	_____	_____	_____	_____
DINI	<u>X</u>	_____	_____	_____	_____	_____
DUBOIS	<u>X</u>	_____	_____	_____	_____	_____
JEFFREY	<u>X</u>	_____	_____	_____	_____	_____
MOVACS	<u>X</u>	_____	_____	_____	_____	_____
RENGAMAN	<u>X</u>	_____	_____	_____	_____	_____
RUSK	<u>absent</u>	_____	_____	_____	_____	_____
ROBINSON	<u>X</u>	_____	_____	_____	_____	_____
TALLY:	<u>8</u>	<u>0</u>	_____	_____	_____	_____

ORIGINAL MOTION: Passed X Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

AMENDED & PASSED \_\_\_\_\_ AMENDED & DEFEATED \_\_\_\_\_

Attached to Minutes March 4, 1981



APB 66

Calls for est formal bidding procedure by util for any purchases exceed \$2,500 - all bids adv and util req to accept lowest bidder

Intent is to reduce cost of service - ultimately result in lower rates to cons

Subcom believes bill wd have opposite effect - incre the cost of doing business - incr rates

Reasons:

1. Cost in manpower and time of admin this plan for the thousands of purchases could be considerable
2. Mgt lose right to emit the qual and capabilities of bidders - forced to accept inferior prod and workmanship - in such tech and specialized field as util cd prove more costly in long run
3. Coupled w/ this wd elim evaluation of past perform of contractors - forced to mediocre perform - also cd prove very costly - even affect safety of proj
4. ~~Prevent~~ Prevent the negotiation of contracts - which in many cases most econ way of handling proj
5. Delays which cd result in this procedure cd result in higher prices for equip and material - living in inflationary period w/ frequent price incr
6. Many purch for specialized items must be fm out-of-state vendors - req for adv bids cd be expensive in terms of both newspaper space and adm costs
7. Number of oper are handled in-house by trained crews which can perform more effic and at less cost than bidding out these many routine jobs

For these reasons Subcom is convinced AB 66 would be counter prod - instead of lowering operating costs for util wd only incr them - thus incr cost of serv and util rates

Testimony showed util and trans cos already have formalized and written procedures for purch

Any maj cost savings that might result in lower rates wd be found in energy util that expend enormous amts of capital in gen and distrib facilities - testimony showed util are currently obtain at least 3 bids on such proj

Finally Subcom believes it wd be cumbersome and impracticable for PSC to dev reg to implement this bill

Oper and purch reg of the various util and trans cos too diverse and specialized to fit into rules and reg

During the course of rate case the staff auditors have ample leeway and power to investigate the purch policies and resultant costs rel to purch and construct of fac - if costs are unreasonable or suspect the staff can recom they be disallowed.

# Southern Pacific Transportation Company

One East First Street • Suite 905 • Reno, Nevada 89501 • (702) 329-2492

JOHN L. ECK  
ASST. TAX COMMISSIONER

February 12, 1981

Assemblyman John DuBois  
Nevada State Assembly  
Carson City, Nevada

Subject: AB 66

Dear Assemblyman DuBois:

NRS 704 defines railroads as public utilities while in fact it is generally recognised that they are not in that they do not operate under a franchise as a monopoly in the manner of true utilities.

The obvious intent of AB 66 is that by requiring , to the greatest extent possible, competitive bidding on construction of plant facilities it would reduce cost and thereby in turn afford customers lower utility rates.

The bill is somewhat unclear in that it includes railroads by definition but possibly excludes them as utilities which "by their nature are not adapted to competitive bidding".

To the greatest degree possible, railroads maintain "in house operations". Southern Pacific produces its own ties at its facility at Houston, Texas at a cost far below what they might be obtained for on the open market. In addition we have rail processing plants that recondition rail for extended life usage.

We employ maintenance of way and construction and other specialized crews on a full time basis to handle any situation on a moments notice. This is done in order that we might comply with federal regulation and keep our obligation as a common carrier.

Should railroads be required to engage in competitive bidding, the end result would surely be higher cost and delay of necessary work.

I respectfully request that any reference that might be construed to include rail operations in AB66 be stricken or modified.

Yours truly,

  
John L. Eck



TO: JOHN DUBOIS, ASSEMBLYMAN  
FROM: CHUCK KING, CENTRAL TELEPHONE COMPANY OF SOUTHERN NEVADA  
DATE: FEBRUARY 12, 1981

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A.B. 66: Requires competitive bidding on certain projects of public utilities.

The intent of this bill is to require utilities to go out into the market place and solicit for bids when making large purchases. The telephone industry in Nevada has written practices that set out our procedures. These procedures appear to be more stringent than those listed in the bill.

The bill would place constraints on telephone companies that would delay service dates for new cables and central office equipment that is required for new customers and customers moving to a different place in the Las Vegas Valley.

The purpose of this bill is to lower the expenses and construction costs of utilities; however, from all of the testimony I have heard, it is conceivable that the cost of administering this plan would increase the overall expense of doing business.

It is also evident that the bill is aimed at energy type utilities that expend enormous amounts of capital in generating and distribution facilities.

I recommend that the bill either be amended to include only electric generating facilities and their distribution lines or simply be allowed to die.



**Nevada Bell**

P.O. Box 11010  
645 E. Plumb Lane  
Reno, Nevada 89520  
Phone (702) 789-6102

**Stan Warren**  
District Manager  
External Affairs

February 24, 1981

Mr. John B. DuBois  
Assemblyman, District 2  
Legislative Building  
Carson City, Nevada 89710

Dear Mr. DuBois:

Nevada Bell is primarily opposed to the passage of AB66 because we feel this bill would increase our costs of doing business. We feel the price of telephone service in Nevada is very reasonable, and to mandate additional procedures to determine who should provide our goods and services is unnecessary. Periodically the PSCN conducts audits of the State's utilities to monitor our management judgement. We feel this is an adequate safeguard.

As I mentioned when I appeared before your committee, the telephone industry today must compete for equipment sales with non-regulated competitors. AB66 would, as I say, increase our cost of doing business and could eventually increase the cost of our product. We are opposed to this. Also, as I mentioned in Committee, we do bid many of the services and supplies we purchase. Which, is basically everything we do not provide from within.

I appreciated the opportunity of appearing before your committee, and hope this summary of my opposition to AB66 is adequate for your purposes. If you would like to discuss this matter further, please call me.

Yours truly,

*Stan Warren*

Centel procedure for competitive bidding requires evidence of capability and experience relative to telephone conduit, manholes and direct buried cable installations and a thorough knowledge of municipal ordinances, procedures and requirements, proper certification of insurance, bonding and Nevada Industrial insurance coverage must be met.

- 1) All contractors are required to have a valid Nevada State Contractors License which will include an "A23" classification qualifying them to install pipelines and conduit systems.
- 2) All contractors are required to maintain insurance coverage for public liability and property damage ranging from \$100,000 to \$500,000 depending on the amount of the project contract price.

At the present time Centel has fourteen (14) properly classed licensed general and electrical contractors on it's bid list capable and available to perform major construction projects.

- 3) Centel projects are categorized under one of three classes.

Class I

Class I would include all major projects estimated to be in excess of \$5000. Contract prices with no immediate rush or emergency involved leaving sufficient time to take the following steps: Prepare construction drawings showing sufficient detail to complete the project as engineered; apply for all necessary right-of-way easements; acquire all necessary government permits; prepare bid letters detailing the bid dates, material requirements and completion dates; provide a cost breakdown sheet for the contractor showing all labor and material costs for each bid item on the construction drawings. Each contractor on the current bid list would be mailed one letter, one cost breakdown sheet and two blue-line copies of the construction drawings. On the specified bid opening date (usually 2 to 3 weeks after mailing) all contractors are invited to attend the bid opening at which time all bids are opened and the low bidder is determined in the presence of all bidders.

Class II

These projects would be similar to Class I but would be on a much smaller scale usually less than a \$5,000 estimated cost and generally on a rush or top priority basis. These projects would have no bid invitation for all contractors but copies of the construction drawings would be hand carried to 3 or 4 different contractors from the current contractors list, these contractors are usually chosen by their quality, speed, prices and current work load. Bids are usually required to be in the hands of the engineer by a specified date and time (usually less than a week). The bids are opened by the engineer and the low bidder is notified.

Class III

These projects are of an emergency category usually resulting from some sort of damage to existing facilities. In this case no drawings are prepared prior to the work being performed. A single contractor is chosen on the basis of availability of men and equipment to do the job and is paid on a "cost plus percentage" basis upon completion of the work.

- 4) The number of major construction projects engineered and bid in excess of \$2500 was 89 for a total monetary amount of \$2,281,123. A total of 77 projects under \$2500 amounted to \$94,710.
- 5) Subdivision activity in the category over \$2500 which consists of the utilization of on-site contractors under contract to the developer and not specifically offered to bid by Centel totaled 111 projects in the amount of \$738,090. Forty projects in the under \$2,500 category in the amount of \$63,840 were completed. These installations as directed by PSC GO-9 require trenching and substructures to be performed by the developer and the placing of conduit in the developers trench to be accomplished by Centel. The use of the developer's off-site contractor results in close coordination. Conduit and installation costs are established by prior agreement.

The exorbitant quantity of contract projects in the amount of 166 indicates the unfeasibility of bidding and advertising. The need for immediate action in many cases would suffer from further delays in providing telephone service to meet service demands. The requirement for qualified contractors who meet the specifications of telephone construction and strict insurance certification are important considerations.

EXHIBIT B

A.B. 192

AMENDMENT SUGGESTION:

NRS 639.2589

3. Substitutions may be made in filling prescriptions from physician's orders in skilled nursing or intermediate care facilities. The physician's orders document must be printed with the words, THE GENERIC EQUIVALENT OF DRUGS ORDERED MAY BE DISPENSED, UNLESS CHECKED HERE .

RATIONALE:

1. Most long-term-care patients cannot discuss the generic drug and price differences with the pharmacist (required in 639.2585) as the patient does not order nor present the prescription to the pharmacist.
2. The largest majority of patients in long term care are Medicaid recipients and not providing their own medications.
3. Anticipated Medicaid savings could be between \$60,000 and \$120,000 annually. (See attached sheet.)
4. Therapeutic quality would be protected by Section 639.2597 and substitution could occur only with approved prescription drug products list.
5. Patients or physicians not wanting generic substitution would be protected by check mark.



EXHIBIT C

MEDICAID PRESCRIPTIONS  
IN LONG TERM CARE

	TOTAL DOLLARS ALL MEDICAID PRESCRIPTIONS	DOLLARS PAID PRESCRIPTIONS IN LTC FACILITIES	ESTIMATED 10-25% GENERIC SAVINGS
1980	\$1,860,837.50	\$657,806.05	\$ 65,780.60 to \$131,561.20
1979	\$1,468,252.08	\$499,499.33	\$ 49,949.93 to \$ 99,899.86

	TOTAL DOLLARS ALL MEDICAID PRESCRIPTIONS	TOTAL PRESCRIPTIONS MEDICAID PAID	TOTAL PRESCRIPTIONS IN LTC FACILITIES	% LTC PRESCRIPTIONS OF ALL PRESCRIPTIONS
Jan 80 Mar 80	\$ 449,040.82	50,692	17,040	33.61%
Apr 80 Jun 80	\$ 445,428.20	49,716	17,856	35.91%
Jul 80 Sep 80	\$ 471,548.14	51,090	17,913	35.06%
Oct 80 Dec 80	\$ 494,820.44	52,716	19,391	36.78%
TOTAL 1980	\$1,860,837.50	204,214	72,200	35.35%
Jan 79 Mar 79	\$ 378,432.76	45,480	15,772	34.68%
Apr 79 Jun 79	\$ 349,818.97	42,632	12,697	29.78%
Jul 79 Sep 79	\$ 379,749.02	43,993	15,965	36.28%
Oct 79 Dec 79	\$ 360,251.33	41,616	14,712	35.35%
TOTAL 1979	\$1,468,252.08	173,721	59,146	34.02%