

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE

The Senate Committee on Finance was called to order by Vice Chairman James I Gibson, at 7:30 a.m., Monday, February 10, 1981 in Room 231 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator James I. Gibson, Acting Chairman
Senator Eugene V. Echols
Senator Lawrence E. Jacobsen
Senator Norman D. Glaser
Senator Thomas R. C. Wilson
Senator Clifford E. McCorkle

COMMITTEE MEMBER ABSENT:

Senator Floyd R. Lamb, Chairman

STAFF MEMBERS PRESENT:

Ronald W. Sparks, Chief Fiscal Analyst
Dan Miles, Deputy Fiscal Analyst
Tracy L. Dukic, Secretary

OTHERS PRESENT:

Jerome Griepentrog, Administrator - Mental Hygiene and Mental Retardation Division
Dan Payne, Ph.D., Associate Administrator for Mental Retardation
Bing Oberle, Deputy Director of the Department of Human Resources
Harold Clemons
Sally E. Landis, Ormsby Association for Retarded Citizens
Susan Haase
Steven Lordess, Alpha Productions
Marcia Bennett, Alpha Productions
Marvel Wedge, Director - Washoe County Association for Retarded Citizens

Senator Gibson called the meeting to order at 7:30 a.m. and asked Mr. Gerome Griepentrog, Administrator of Mental Hygiene and Mental Retardation, to address the Committee on the budget proposals.

Mr. Griepentrog began by giving the Committee a brief program statement about what the Genetics Program is attempting to do, what resources are available to those persons seeking their services and the success statistics for the goals they are attempting to achieve. He also stated that the main goal that genetics testing and research is designed to accomplish is to prevent the birth of a child who may pose a liability to its family and the State in the way of expense.

He then told the Committee about the proposed reorganization of the Genetics Program. It includes having a Genetics Counselor for the Southern and Northern portion of the State who will work conjunctively with physicians and counselors trying to help prevent the births of children who run a high risk of being mentally and physically handicapped. Mr. Griepentrog also explained the methods which are utilized in genetics testing.

Senator Glaser asked Mr. Griepentrog if the lab facilities are

Senate

Committee on Finance
February 10, 1981

operated by the State.

Mr. Griepentrog replied that these lab facilities are State-owned and operated.

Senator Glaser asked Mr. Griepentrog if there might be any benefit to contracting out the lab testing.

Mr. Griepentrog replied that that practice presently is not recommended because the cost is greater, but that he believes that there should be a State network of lab facilities developed to do genetics' testing.

Senator Glaser noted that the Governor's Task Force recommendations for the Genetics Program cut down their operating expenses and called for the closure of the lab.

Mr. Griepentrog replied that if the Governor's Task Force's recommendations are followed, the Genetics Program would have to be shut down. He indicated that they are working with the Governor's Task Force to modify these recommendations.

Senator Wilson inquired if they had been persuasive in changing the Task Force's opinion about the proposed shutdown of the program.

Mr. Griepentrog said they had been successful.

Senator Wilson inquired as to what had changed their minds.

Mr. Griepentrog replied that, because two hospitals perform similar tests, the Task Force was under the impression that this department was not necessary; when, in fact, the testing being supplied by these hospitals is very much what would be classified as meeting "skeleton requirements" for this kind of testing.

Senator Jacobsen noted that \$520 dollars per test is a bit high for this service.

Mr. Griepentrog stated that that is not the actual cost of the testing. This was due to a One Shot Appropriation for equipment that had been lumped together in that testing category.

Senator Jacobsen asked what was involved in the contracting out of services for the Genetics Program.

Mr. Griepentrog replied that occasionally it is necessary to bring in a consulting physician or to utilize special testing equipment to determine the diagnosis of a case or to augment the general knowledge of physicians in the State by having specialists in different fields lecture to help these physicians recognize syndromes.

NORTHERN NEVADA MENTAL RETARDATION CENTER

Mr. Griepentrog gave the program summary, covering the organizations over which the NNMRC presides, and the functions these organizations perform in the community. He told the Committee about the patients who are on waiting lists to be placed in these various programs.

He stated that there are significant increases in the Title XIX funds and in corresponding regular appropriations. He stated they have also been very successful in increasing their reimbursement rate from Title XIX, which accounts for the big difference between the agency request and what the Governor is recommending.

He then directed the Committee's attention to page 531,

Senate

Committee of Finance
February 10, 1981

he stated that the agency is requesting two new social worker positions to manage the organization of residential care facilities which are being sought as an alternative to institutionalized care.

Mr. Griepentrog directed the Committee's attention to page 532, and he began to explain the increase in Operational Costs, Food and Other Building Rent to the Committee. He stated that most of the increase in operational costs is a result of the change in that the NMHI is no longer providing free services to NNMRS, which included such things as free laundry, free labor on food preparation and free space being provided for the day treatment programs. He told the Committee that these previously free services are being included in the NNMRS Budget to enable them to receive more federal funds.

Mr. Greipentrog addressed the subject of the increase in the Contract Services category by stating that this increase is due to the fact that the physician employed by this program previously billed Title XIX directly but is now required to bill the institution first.

Senator Wilson asked about the waiting lists for these programs for the mentally retarded.

Mr. Griepentrog told him 78 persons at a time are served in the residential program when it is operating at full capacity and they have a waiting list of about 18 persons for institutional care and a waiting list of about 16 for community alternative residential care. He qualified that statement by saying that this is only for Northern Nevada; that they have similar waiting lists in the South.

Senator Gibson inquired into the food costs per client.

Mr. Griepentrog stated that this is a per meal cost of \$2.70 per day for the first year of the biennium and \$3.08 per meal cost per day for the second year; that would be the same cost as NMHI, but he has invited contractors from the private sector for open bidding to see if they can supply this service at a lower cost.

He stated that another reason for the increase in the food costs is because they are providing meals to foster grandparents and staff who are present at meals and are trying to help train these handicapped persons during this time.

Senator Glaser asked Mr. Griepentrog what the rate of client turnover is in the different institutions in a year's period.

Mr. Griepentrog replied that the rate is only about 10 to 15% because most of these patients are so severely involved, many physically as well as mentally. He stated, though, that there are roughly 20 to 25% of these persons who could possibly be put into less costly alternatives than institutional care.

Senator McCorkle asked Mr. Griepentrog to explain the different types of alternative care.

Mr. Griepentrog replied that there is live-in house services, one having a twenty-four hour supervision with professional back-up services and one involving programs during the day with no supervision being required at night. He stated that otherwise you are faced with an annual cost of \$40,000 dollars per year per institutionalized client.

Senator McCorkle asked if the Federal Government recognizes the alternatives he just listed.

Senate Committee on Finance
February 10, 1981

Senator McCorkle asked why they had not utilized the increase in their budget and put it into alternative care now.

Mr. Griepentrog stated that there will be a problem starting up the programs, but that these alternative programs coming into existence would not eliminate the problem of the cost of institutionalized care since there are people ready to fill the beds that become vacant in the institutions; thus, another increase.

Senator McCorkle asked if with the presently increased budget whether there are any greater number of individuals being served.

Mr. Griepentrog replied basically the same number of people are being served with some additional clients in terms of community services because new staff is being requested.

Senator McCorkle asked why the general increase in the cost per client has been so much greater than the rate of inflation, an increase of cost per client of 36%.

Mr. Griepentrog told the Committee that health care costs are the main reason why the cost of care of these individuals has skyrocketed--nursing, lab procedures and physician's care--have all contributed, along with drugs, medications, extensive workups from specialists and special orthopedic devices. In addition, they have included in this budget items that were in the Institute budget and an increase in operational costs that were also contained in the Institute budget previously. 60% of the increase is a result of shifting costs from one budget to another with the balance being allocated to the increase in health care costs.

Senator Echols asked if the six Audit Division Report exceptions has been accomplished.

Mr. Griepentrog stated that all of the exceptions except for the approval system for Title 19 revenues that have been earned but not received. They have asked for specific clarification from the Controller's Office as to when this money should be credited to the program or if it even should be credited this year.

Senator McCorkle asked if Mr. Griepentrog feels that they are currently doing the best that they can for the clients they are serving in these institutions

Mr. Griepentrog replied that they are doing basically the most they can for each individual.

Senator McCorkle asked what is preventing them from reducing your service per client rather than trying to maintain them in a "perfect" environment. He asked why they couldn't reduce the cost of treatment per client and service more individuals.

Mr. Griepentrog replied that the care provided to these individuals should not be reduced because a certain level of care is necessary just to handle the basic needs of severely mentally and physically handicapped people. He added that to receive their federal certification, a certain level of care must be maintained, some 600 standards, so that they will continue to receive Federal funds.

Senator Wilson asked if these individuals being discussed must have 24-hour care.

Mr. Griepentrog stated that this is a must, but that the selection of which individuals to accept into the program is determined by the severity of their disabilities.

Senate Committee on Finance
February 10, 1981

Senator Wilson asked if the rolls of mentally and physically handicapped individuals requiring this level of care has been increasing.

Dr. Payne, Associate Administrator for Mental Retardation, told the Committee that the handicapped population has been increasing in correspondence to the increasing State population.

Mr. Griepentrog stated that they are trying to develop alternative care programs to cut down on the cost, and he restated that 20 to 25 per cent of those individuals residing in institutions are not in need of intensive care and could be placed into programs that are less costly.

Senator Echols asked Mr. Griepentrog to explain the necessity for the In-State Travel charge for the meeting at the Desert Developmental Center.

Mr. Griepentrog told Senator Echols that these are representatives from different agencies that meet there to discuss common problems in the mental health area. He also said that most of the In-State Travel is related to developing alternative care programs.

Senator Glaser asked if they have transferred part of the money from the Community Awareness Program into the Summer Camp for the Mentally Retarded.

Mr. Griepentrog stated that they are attempting to get more federal support for this program by combining the money into this category.

Senator Jacobsen asked why the summer camp program is so expensive, especially the food costs.

Mr. Griepentrog told the Committee that what is represented in the summer camp program are all the costs--food, supervision and transportation, etc--which is derived from these funds.

Senator Gibson asked why the cost of plaing people out of state is about half the cost of keeping them in-state.

Mr. Griepentrog said that this is not correct in cases where a person is severely disabled, but if you place an individual who is highly functional then there are some dollars saved.

SOUTHERN NEVADA MENTAL RETARDATION SERVICE

Mr. Griepentrog stated that there are a number of positions being requested for this institution, with most of the same problems and demands on this program in Southern Nevada as is the case with the Northern Nevada Mental Retardation Service. He went on to explain for the Committee the position requests. He told the Committee that the sixteen-bed facility proposed last biennium is now complete and will have some effect upon the problem of waiting lists.

Senator Wilson asked if the Federal standards imposed upon Mental Retardation Health facilities are too strict, and if they were eased, if this would be cost effective.

Mr. Griepentrog indicated that these standards as they are now were designed to be more stringent to prevent the kinds of abuses that were taking place all over the country in different mental health institutions, but that the easing of these standards would result in a 5% decrease in overall costs.

Senate Committee on Finance
February 10, 1981

Senator Gibson asked if the budget for next year for SNMRS is based upon talking care of 94 persons.

Mr. Griepentrog confirmed his belief. He went on to explain the summer camp program, Camp Lots-o'-Fun, and told the Committee about the costs contained in that program.

Senator Galser asked if there was not an area located in the southern part of the State where these individuals could attend summer camp and help save the cost of transporting them up to Lake Tahoe.

Mr. Griepentrog indicated that they are presently in the process of looking for a place to relocate. Further, he told the Committee that they are proposing to beef up the security staff by three positions because of the problems that have resulted with violent patients.

Senator Gibson asked why the In-State Travel category is higher for this institution than most others.

Mr. Griepentrog replied that it is because Las Vegas is so spread out; therefore, there is more mileage.

Senator Gibson asked if they are prepared with any alternative when the lid is placed on the Title XIX program.

Mr. Griepentrog indicated that they would be alright.

Senator Gibson asked if they had prepared any alternative to institutionalized care.

Mr. Griepentrog stated that one alternative is home care, which will provide better care for individuals requiring low maintenance health care.

Senator Jacobsen noted that there has been an increase in the Buildings and Grounds category and asked why this was.

Mr. Griepentrog told him that that is not so; it is just a general maintenance overhaul on three to four year old buildings that have not been overhauled since they were constructed and the destructive nature of the patient population residing in these buildings.

Mr. Griepentrog went on to amplify that another result of the destructive patient population is the necessity of a 5% increase in salaries of the employees assigned to these patients because the injury rate on the job is very high.

Senator Wilson inquired into the number of outpatients.

Mr. Griepentrog told him there 50 outpatients.

Senator Jacobsen inquired into the turnover among employees working in these institutions.

Mr. Griepentrog stated that the work is demanding, physically draining and hazardous, thus, a large turnover rate.

Senator Wilson told the Committee that he feels there should be a comparison category set up in the budget itself to compare the costs between nonresidential and residential care programs.

Mr. Griepentrog told the Committee that he agreed with them.

Senate Committee on Finance
February 10, 1981

Senator Wilson asked if the increase in inflation coupled with the increase in patients going into these facilities is responsible for the increased operating costs, some 67.7 percent.

Mr. Griepentrog replied that Senator Wilson's observation is correct.

Senator Wilson asked why there is a disproportionate increase in the food costs when the number of patients has not risen.

Mr. Clemons interjected that this is because there are additional labor costs included in the food costs that were not included in last session's budget report.

Mr. Griepentrog added that some of these costs are also the increasing need for specialized training for mentally retarded that have been clumped together with other forms of health care which will be divided out.

Mr. Griepentrog stated that these included nine positions that were not included in the Food Cost budget that are now being transferred over to a separate food service budget. These were food service personnel originally charged against salaries. The cost of labor will now be charged back to this budget as part of the food costs.

Senator Wilson noted that this is what makes it so difficult to trace the funds being poured into different programs.

Mr. Griepentrog said that the purpose in doing this is because it will save funds by consolidating services.

Senator Echols inquired into the turnover rate in the staff of these facilities.

Mr. Griepentrog answered that he believe it is around 30%.

Senator Echols asked if there is any training program utilized by the MH-MR Division.

Mr. Griepentrog concluded that there is in-service training, but he is hoping there will be a shift from in-service training to Community College students who are specifically trained in this field.

SMH & MR FOOD SERVICE BUDGET

Mr. Griepentrog explained for the Committee the proposal to combine food services for four different facilities, thereby, eliminating the necessity to contract out for these services. He stated that in the first year of the biennium \$33,000 would be saved. \$53,000 would be saved the second year. He stated that he has requested bids for this service and he has been told that this may result in an even further savings of some \$50,000.

Senator Gibson asked if the contract service is used will they use state employees.

Mr. Griepentrog replied that they would not; but that State employees would be protected on their pensions but that new employees would be hired by the private contractor.

Senator Gibson asked if the private contractor would be responsible for maintaining their equipment.

Mr. Griepentrog stated that they would be.

Senate Committee on Finance
February 10, 1981

COMMUNITY TRAINING CENTERS

Mr. Griepentrog explained the purpose of the program, its goals and its functions. He stated that presently 440 people are being served. They are projecting that they will be able to serve about 482 persons at the end of the biennium.

He stated that there are 120 persons on the waiting list. He stated that they are proposing to change the rate fee for the program so as to provide better training for those individuals who are able to be rehabilitated into a more productive lifestyle. They are also requesting more contract money to help rural communities recruit outside help for training the severely handicapped individuals in the outlying areas. He made it a point to emphasize that this program has had some revenue problems in the past with the Social Services money, but they are optimistic about future funds being made available.

Senator Glaser asked about the Revenue Development category containing some \$6,500 dollars.

Mr. Griepentrog told the Committee that this money is to hire two people to survey private industry to determine what kind of contract may be available to different programs for the mentally retarded. He hopes this will result in more savings.

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Mr. Manuel Wedge, Director of Washoe County Retarded Citizens Community Training Center, came before the committee and requested that they allow him to postpone his presentation until after the CTC Subcommittee findings to enable them to prepare a more complete program statement.

Senator Gibson said that they would allow them the additional time.

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RESIDENT PLACEMENT ACCOUNT

Mr. Griepentrog stated that this budget contains the funding whereby they can purchase the community alternative programs previously mentioned, and the request in this budget would allow them to create 50 additional community alternatives. He went on to give the reasons for this program of community alternatives to be developed. He explained the One Shot appropriation to start community alternative programs because of these facilities must have the staff and facilities already in existence in order to receive the funding from the Title 19 program. He said that the funds in this program would make it possible to service 25 more people this year and another 25 more people next year for a total of 50 people for the biennium.

Senator Gibson asked if all the money is directly service related. Mr. Griepentrog replied that it is.

RETIRED SENIOR VOLUNTEER PROGRAM

Mr. Griepentrog explained what this program is all about and told the Committee that it is a federally funded program under the auspices of the Action Program and Washoe County. He stated that they merely need the authorization from the Legislature to receive federal funds.

Senator Gibson asked Mr. Griepentrog what his opinion of this program was.

Mr. Griepentrog replied that it is cost effective because it saves money by providing free staffing for senior citizen programs.

Senate Committee on Finance
February 10, 1981

SENIOR COMPANIONS

Mr. Griepentrog explained the services provided and the function of this program. He informed the Committ-e that the current grant terminates the 31st of May of this year, and that they will have to wait to see if it is going to be picked up by the Federal Government. If it is not, the program will terminate then.

Senator Gibson asked what their plans are if the program is not picked up by Federal funding and is, in fact, terminated.

Mr. Griepentrog replied that this program is not replaceable unless it is federally funded; therefore, it will be defunct.

Senator Gibson inquired if the contract services are actually their stipend.

Mr. Griepentrog told Senator Gibson that that category is really for transportation and meal costs.

FOSTER GRANDPARENT PROGRAM

Mr. Griepentrog explained this program for the Committee and told them that the State matching funds only are necessary in Northern Nevada.

COMMUNITY AWARENESS PROGRAM

Mr. Griepentrog told the Committee that this program is part of the Title I Program, which services special education needs in preschool and high school environments, including a summer camp program. He told the Committee that there has been a reduction in the funds being poured into the summer camp program. He said that the funding for this program is federal with no matching State funds.

Senator Wilson inquired into the efficacy of the program.

Mr. Griepentrog replied that it is essential because this is the only way many of the smaller communities receive therapeutic help for children with learning disabilities.

Senator Wilson concluded that then these are not mentally retarded children.

Mr. Griepentrog told him that they were mentally retarded but not severely enough to be institutionalized.

SPECIAL APPROPRIATIONS

Mr. Griepentrog told the Committee that they are requesting a Special One Shot Appropriation in the amount of \$150,000 to set up a revolving fund to receive the licensure authorization needed to start the residential alternative programs. He told the Committee that this One Shot Appropriation will be returned to the General Fund in the form of reimbursements over a three-year period.

Senator Jacobsen interjected a comment about whether or not the Sierra Developmental Center is utilizing the dairy products made by the prison.

Mr. Griepentrog replied that this is done somewhat.

Senator Gibson stated that he has received sanctioning to go ahead and appoint subcommittees on the budgets. He appointed Senator Wilson, Chairman, and he asked that Senators McCorkle and Jacobsen work with Senator Wilson to help the Finance Committee understand the thrust of the different Mental Health Committee budgets and to find alternatives to help control the inflation of the costs, especially in light of the fact that the President is planning to cut down on federal funding for many of the programs under this Division.

Senate Committee on Finance
February 10, 1981

Senator Gibson presented bills for consideration and Committee introduction, mainly consisting of the One Shot proposals that are found in the front part of the budget.

Senator Wilson asked if they were to vote on them today.

Senator Gibson indicated that they are all to come before the Committee in the course of the session as those particular budgets are being presented.

Senator Wilson said that they should wait until that particular budget is presented and they can vote on them then.

SENATOR WILSON MOVED THAT THE AFOREMENTIONED
BILLS BE INTRODUCED.

SENATOR JACOBSEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at
10:46 a.m.

Respectfully submitted by:


Tracy L. Duffel, Secretary

APPROVED BY:


Senator Floyd R. Lamb, Chairman

DATED: 2/23/81

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE , Room 231 .

Day (See Below) , Date (See Below) , Time 8:00 a.m.

MONDAY, FEBRUARY 9, 1981

1. Division of Mental Hygiene and Mental Retardation (Pg. 472 - Jerome Griepentrog - ALL AGENCIES).
2. Regional Training (Pg. 554).
3. Rural Clinics (Pg. 524).
4. Las Vegas Mental Health Center (Pg. 502).
5. CBS - Las Vegas (Pg. 502).
6. Henderson Mental Health Center (Pg. 516)
7. Institute Land Exchange (Pg. 476).
8. Mental Health Institute (Pg. 477).
9. Facility for the Mental Offender (Pg. 486).
10. CBS - Washoe (Pg. 494).

TUESDAY, FEBRUARY 10, 1981

1. Genetics (Pg. 499 - Jerome Griepentrog - ALL AGENCIES).
2. Northern Mental Retardation Services (Pg. 529).
3. Southern Mental Retardation Services (Pg. 534).
4. Southern Mental Retardation Food Services (Pg. 521).
5. Community Training Centers (Pg. 540).
6. Resident Placement Fund (Pg. 550).
7. Retired Senior Volunteer Program (Pg. 543).
8. Senior Companions (Pg. 545).
9. Foster Grandparents (Pg. 547).
10. Community Awareness (Pg. 551).

WEDNESDAY, FEBRUARY 11, 1981

1. Bureau of Vocation Rehabilitation (Pg. 373-404...Del Frost).
(Beginning of the Health Division if time allows)

THURSDAY, FEBRUARY 12, 1981

1. Health Division (Pg. 406 - Dr. John Carr).
2. Radioactive Material Disposal (Pg. 336).

Exhibit B

**THIS EXHIBIT IS MISSING FROM BOTH THE ORIGINAL
MINUTES AND THE MICROFICHE.**