

**MINUTES OF THE
SENATE COMMITTEE ON HUMAN RESOURCES AND EDUCATION**

**Seventy-third Session
April 1, 2005**

The Senate Committee on Human Resources and Education was called to order by Chair Maurice E. Washington at 12:06 p.m. on Friday, April 1, 2005, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Maurice E. Washington, Chair
Senator Barbara K. Cegavske, Vice Chair
Senator Joe Heck
Senator Bernice Mathews
Senator Valerie Wiener
Senator Steven Horsford

COMMITTEE MEMBERS ABSENT:

Senator Dennis Nolan, (Excused)

STAFF MEMBERS PRESENT:

Leslie K. Hamner, Committee Counsel
Marsheilah D. Lyons, Committee Policy Analyst
Patricia Vardakis, Committee Secretary

OTHERS PRESENT:

Lora E. Myles
Marilyn Newton
Calvin Dillon, Comstock Historic District Commission, Office of Historic Preservation, Department of Cultural Affairs
Renny Ashleman, Nevada Health Care Association
Sean Gamble, Incline Village General Improvement District
Mike Pennacchio, Incline Village General Improvement District

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Daniel K. O'Brien, Manager, State Public Works Board, Department of Administration
Dave Bowman, Assistant State Fire Marshal, State Fire Marshal Division, Department of Public Safety
Stacey Giomi, Fire Chief, Carson City Fire Department
Fred L. Hillerby, American Institute of Architects
Michael J. Willden, Director, Department of Human Resources
Charles Duarte, Administrator, Division of Health Care Financing and Policy, Department of Human Resources
Michael T. Walsh, Chief Financial Officer, Administration, University Medical Center

CHAIR WASHINGTON:

I will open the hearing on Senate Bill (S.B.) 205.

[SENATE BILL 205](#): Revises provisions governing criminal and civil liability for engaging in certain acts relating to cemeteries. (BDR 40-797)

SENATOR MATHEWS:

Senate Bill 205 is the result of two ladies who have done work with preserving historical places in Nevada, particularly old cemeteries. Mark Twain said, "In order to know a community, one must observe the style, its funerals and know what manner of men were buried and what kind of ceremony they had." It was true then, and it is true today. The history of the rich, the poor, the famous and infamous are recorded in the graveyards of Nevada. These cemeteries are often the only record or artifacts remaining to tell the story of a community. Events of personal importance and historical interest are found on the inscriptions on the tombstones. It is important that they are not destroyed or vandalized.

LORA E. MYLES:

Marilyn Newton has assembled a photographic memoir of Nevada's historic graveyards. In the process, she discovered vandalism that has been occurring to Nevada's graveyards. We realized that vandalism in a graveyard is a \$50 petty theft crime. In speaking to the Comstock Cemetery Foundation and others, we discovered there is frustration because even though they are aware of the identity of the vandals there is no means of prosecution, and a \$50 fine is not a deterrent. This bill creates a category D felony for anyone who destroys, vandalizes, steals from, or damages a cemetery. Senate Bill 205 creates the definition for a cemetery including any individual plot. We have many pioneers

who are buried along old trails. We know where they are. There are many headstones that are not part of an official cemetery, but we are making individual plots as cemeteries. There are provisions in S.B. 205 that would make it a felony to possess or sell any item that they known to have taken without permission from a cemetery. We have created an exemption for archaeologists, criminal investigators, medical personnel and morticians. The bill strengthens the law. Senate Bill 205 allows the prosecutors throughout the State to go after people who are destroying our cemeteries and selling Nevada's artifacts without any legal right to do so.

MARILYN NEWTON:

In preparation for the book *Alkali Angels*, I visited 400 graveyards in Nevada and there are still many remaining. I found tombstones with bullet holes, fenced plots with no tombstone and destroyed tombstones. The Dun Glen Cemetery no longer exists because a mining company has dug it up. The mining company made new caskets and the intention was to reinter the remains. This has not taken place. The remains are still in the caskets aboveground. Mining companies need to make some provision to reinter the remains. Something needs to be done to protect the graveyards.

CHAIR WASHINGTON:

The bill appears to address vandalism and does not address the destruction of gravesites by mining companies.

Ms. NEWTON:

The situation concerning mining companies came to light after the bill was drafted.

CHAIR WASHINGTON:

To include mining companies, the bill would need to be amended.

Ms. NEWTON:

I spoke to the Bureau of Land Management (BLM) and to move remains to the BLM land and create a graveyard is almost impossible. I feel the old graveyards should not be relocated.

SENATOR MATHEWS:

I will work on an amendment to include mining companies and their responsibilities.

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MS. MYLES:

I was the primary drafter of S.B. 205. We will correct the oversight.

CHAIR WASHINGTON:

You can work with staff so we can take action on the bill.

SENATOR WIENER:

What is the bill's intent as to restitution concerning the vandalism of cemeteries?

MS. MYLES:

The representatives from the Comstock Cemetery Foundation should answer the question. They have been addressing restitution and trying to replace or recreate missing objects.

CALVIN DILLON (Comstock Historic District Commission, Office of Historic Preservation, Department of Cultural Affairs):

We do not recreate history, but we can replace what was factual and visual. If there is a photograph or some evidence of what was in existence, we can replace the objects.

I will read a written statement ([Exhibit C](#)) by the president of the Comstock Cemetery Foundation, Candace Wheeler, on behalf of the 14-member Board of Directors supporting S.B. 205.

Under the Secretary of the Interior guidelines we use a nonpolymer type of material to recreate or repair endangered stone markers.

SENATOR WIENER MOVED TO AMEND AND DO PASS S.B. 205.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR NOLAN WAS ABSENT FOR THE VOTE.)

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CHAIR WASHINGTON:

We will open the hearing on S.B. 217.

SENATE BILL 217: Revises exemption to Nevada Administrative Procedure Act.
(BDR 18-1141)

RENNY ASHLEMAN (Nevada Health Care Association):

We ask that this bill be withdrawn and given no further consideration. We have resolved the issue by another means. The letter ([Exhibit D](#)), which is the means for resolving the matter has been given to the Committee.

CHAIR WASHINGTON:

The letter will be entered into the record. We will withdraw S.B. 217. We will hear testimony on S.B. 261.

SENATE BILL 261: Includes snowboarders in provisions governing skier safety.
(BDR 40-1155)

SEAN GAMBLE (Incline Village General Improvement District):

We are seeking to amend *Nevada Revised Statute* (NRS) 455A, by adding new definitions and changing existing definitions and by including snowboarding with skiing statutes. Included in the bill is a definition for snowboarder and snowboarding. The bill will change "ski area" to "snow recreation area." We are seeking to change "ski lift" to "chair lift" and "ski patrol" to "patrol" throughout the bill. Wherever skiing is mentioned, snowboarding should be included.

MIKE PENNACCHIO (Incline Village General Improvement District):

I was the author of the Skier Safety Act in 1987. At that time, snowboards and snowboarders were just beginning to be introduced into the snow recreational community. In most cases, they were not allowed to use developed ski areas. Areas that did allow snowboarders restricted them to confined areas within the developed ski resorts in an effort to isolate them from skiers. Snowboarders were relegated to pursue their sport in mostly undeveloped, mountainous areas.

Today, snowboarding comprises over 38 percent of the overall skiing and snowboarding public. All ski resorts in Nevada now allow unrestricted use of their lifts and terrain to snowboarders. The current Skier Safety Act would imply application to snowboarders. A revision of the bill that includes the comparable terms associated with snowboarding and snowboarders would leave no doubt that NRS 455A applies to this sport as well.

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The proposed changes do not alter the intent of the legislation, which identifies the duties of a snow-recreation-area operator, a skier or a snowboarder. These changes have the support of the four developed ski and snowboarding resorts in Nevada.

SENATOR CEGAVSKE:

Does California already have these changes in law?

MR. PENNACCHIO:

In 1987, when we initiated the Skier Safety Act, California did not have such an act. It was relegated to the counties to implement. I do not know what they do now.

SENATOR CEGAVSKE:

Could you explain the penalty language included in the bill?

MS. GAMBLE:

Our intent was just to add terminology about snowboarding and snowboarders.

LESLIE K. HAMNER (Committee Counsel):

The purpose for the inclusion of the penalty language was because of changes to language on page 5, lines 15 through 29 of S.B. 261. If a person is intoxicated and collides with another person on the ski slopes, it is a misdemeanor. By adding snowboarders, we are adding people who could additionally be convicted of this misdemeanor.

SENATOR CEGAVSKE:

Are warnings posted against consumption and the effects of alcohol while skiing and snowboarding?

MR. PENNACCHIO:

No. There is a posted warning stating the duties of a ski area operator and skiers. The information is available upon request from our skier services. We would advise them of the NRS statute if they requested that information.

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SENATOR CEGAVSKE:

Are there any postings around the ski resorts indicating that it is unsafe to be intoxicated while skiing or snowboarding?

MR. PENNACCHIO:

Not to my knowledge.

SENATOR CEGAVSKE:

For safety reasons, I would like to have a posted warning included in the bill.

CHAIR WASHINGTON:

There is a motion on the floor for amending S.B. 261 to include the posted warnings of alcohol use while skiing or snowboarding.

SENATOR WIENER:

The language should include controlled substances.

SENATOR HECK:

It would depend on the definition of controlled substances. I would recommend the language be patterned after the driving under the influence (DUI) law.

SENATOR CEGAVSKE MOVED TO AMEND AND DO PASS S.B. 261.

SENATOR WIENER SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR NOLAN WAS ABSENT FOR THE VOTE.)

CHAIR WASHINGTON:

We will hear testimony on S.B. 274.

SENATE BILL 274: Restricts authority of State Fire Marshal in consolidated municipalities and larger counties. (BDR 42-87)

DANIEL K. O'BRIEN (Manager, State Public Works Board, Department of Administration):

I am in support of S.B. 274. The bill addresses the involvement of the State Fire Marshal in counties with over 100,000 population and in any consolidated city/county. The only one in the State is Carson City. It clarifies the current law which states that the State Fire Marshal's regulations do not have authority in those jurisdictions and it will now eliminate the State Fire Marshal's involvement in state-owned or state-occupied buildings. It clarifies that the local fire departments have authority over access, fire alarm and fire sprinkler system review.

Currently, NRS 477.030 subsection 1, paragraph (d) states that the Fire Marshal's regulations do not apply in counties greater than 100,000 population or in consolidated municipalities. Discussions with the State Fire Marshal revealed that the regulations address many issues that need to apply in those counties. The intent of this bill is to eliminate the significant confusion that has occurred on state projects when the State Fire Marshal and the local fire departments review and inspect the projects. This will bring the approval authority down to the local level. It will make clear who makes code interpretations on state projects.

Across the State many design professionals on state public works projects and on University and Community College System of Nevada projects have experienced the problem of not having a clear authority defined. On state projects in counties with less than 100,000 population, the State Fire Marshal will still be involved but, will only be responsible for the review of fire department access, fire alarm systems and fire sprinkler systems.

The building-code review will be coordinated by the State Public Works Board which is the building official per the NRS. There is confusion in the field as to who makes the final decision. The State Fire Marshal and I work together to resolve code issues. When there are a number of people involved it causes delays and confusion.

This confusion needs to be eliminated, but the other issues included in the regulation should remain. I propose a change in the bill language. On page 2, line 11 of S.B. 274, after the words "State Fire Marshal," insert, "addressing plan review and inspection of state facilities." There may be other facilities that

need to be included. There are issues involving nursing homes and hospitals where there is confusion as to who is in charge when fire regulation is involved.

CHAIR WASHINGTON:

To what county population are you referring?

MR. O'BRIEN:

It would apply to Carson City and counties with populations over 100,000. On state projects and private projects such as hospitals and nursing homes, there are the State Fire Marshal and the inspector for the local jurisdiction with conflicting change orders.

The bill will reduce the procedure to the local level. The local fire department will work on access, sprinklers and fire alarm systems. It will keep responsibility for interpreting the building codes to one person.

DAVE BOWMAN (Assistant State Fire Marshal, State Fire Marshal Division, Department of Public Safety):

I have submitted written testimony to the Committee ([Exhibit E](#)) stating the Department of Public Safety, Division of State Fire Marshal's opposition to S.B. 274.

There are several reasons why the proposed changes are flawed. On page 2 of my testimony, I have listed two reasons why the changes should not occur.

MR. O'BRIEN:

The State Fire Marshal is concerned that all regulations of the State Fire Marshal would not apply. The proposed amendment would only address the plan review and inspection of state facilities thereby eliminating confusion.

STACEY GIOMI (Fire Chief, Carson City Fire Department):

The Carson City Fire Department is one agency this bill would affect. The amendment proposed by Mr. O'Brien would maintain the controls the State Fire Marshal needs while allowing us the ability to do our jobs. We know how to best serve the community. We have limitations within our department and we understand those limitations. There are limitations which cause us to put certain requirements on the construction of buildings to allow us to be able to control fires and emergencies. We do have a good working relationship with the State Fire Marshal Division, but we do not have the ability to control access, the

location of fire sprinkler connections and location of alarm systems. All are critical to us. Mr. O'Brien's proposed amendment would give us the authority we need to properly evaluate those facilities.

SENATOR CEGAVSKE:

How does the State Fire Marshal attain and distribute your funding? How many counties get funding?

MR. BOWMAN:

There are several sources of funding for the State Fire Marshal Division. Through the last Legislative Session, we were 100 percent fee-based with some grant funding.

SENATOR CEGAVSKE:

On what are the fees based?

MR. BOWMAN:

The fees are based on licensing, plan review and hazardous material permits. During the last Legislative Session, either 7 or 9 of our 38 positions were put into the General Fund. Currently, we are partially funded by the General Fund, partially by fees and partially by grants. Prior to the last Legislative Session, our Division concentrated on fee-generation.

SENATOR CEGAVSKE:

You get fees, licensing and plan reviews from all 17 counties. Are the monies received from the counties evenly distributed to all 17 counties?

MR. BOWMAN:

It would be proportionate. It depends on need. Most of our fees would be generated in the population-capped counties such as, Clark and Washoe Counties. To eliminate fee-generation from those counties would put us in peril with the rural counties that need the same services but, cannot afford them.

SENATOR CEGAVSKE:

Do the large counties subsidize the smaller ones?

MR. BOWMAN:

Yes.

SENATOR CEGAVSKE:

This is a funding issue for your Division.

MR. BOWMAN:

It is a funding issue. When we examined our mission we wanted to distance ourselves from the focus on funding as a source of revenue and return to the purpose of fire prevention.

SENATOR CEGAVSKE:

How many are in your division? Are they full-time employees?

MR. BOWMAN:

There are 38 full-time employees in the State Fire Marshal Division.

SENATOR WIENER:

There have been similar issues in the past. What would be the fiscal impact on the Carson City Fire Department?

MR. GIOMI:

We currently review those plans as a courtesy review. We have an interest in the construction of those facilities. There is a state facility being built on Stewart Street. We reviewed those plans and provided our comments. We will be reviewing the plans, but we would like to be able to make recommendations and have them put into effect. We have the staffing to accomplish these duties. The inspection of buildings may be a slight impact, but in most cases we do inspections of state buildings at the request of the building's safety personnel. We do inspections for the Department of Motor Vehicles and the Nevada Department of Transportation. We have an interest in the safety of the people in those buildings and the safety of our firefighters who go into those buildings.

MR. BOWMAN:

We want to reduce the redundancy of inspections. Our issue with S.B. 274 is that it only addresses one section of the NRS that is in need of revision. We would like to see a consensus among fire departments throughout the State and have the NRS section revised in its entirety.

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CHAIR WASHINGTON:

I would like to meet with Mr. Bowman, Mr. O'Brien and representatives of the fire departments of Clark County, Washoe County and Carson City to work on a compromise.

FRED L. HILLERBY (American Institute of Architects):

We in general support S.B. 274. There is confusion and duplication in the practices which causes loss in time and funds. We would appreciate being included in the meeting.

CHAIR WASHINGTON:

We will open the hearing on S.B. 462.

SENATE BILL 462: Repeals, reenacts, reorganizes and revises certain provisions relating to Department of Human Resources. (BDR 38-178)

MICHAEL J. WILLDEN (Director, Department of Human Resources):

The changes in S.B. 462 are technical amendments and clean-up language for the Department of Human Resources. We want to change the name to the Department of Health and Human Services. We receive hundreds of telephone calls, surveys, e-mails and studies from people thinking we are the Department of Personnel. I have provided the Committee with a chart, titled "Umbrella Agency Names by States: 2005" ([Exhibit F](#)), which shows the various titles used by other states. The document shows there are only four states having agencies known as Human Services. The states printed in red on the chart are those where the public-health function is within the department. There are states where the public-health function is a separate department.

The next change is the renaming of the Welfare Division. This may be a more controversial change. I have provided a handout ([Exhibit G](#)) regarding the possible names for the change. The name Welfare Division has been in existence since 1949. For many years, they only took care of welfare activities. During the 1970s, the Welfare Division assumed other programs which were not within the traditional welfare-benefit program. In the 1980s, we transitioned through a tremendous amount of employment and training programs. The theme of the 1990s has been to end entitlement programs and move to transitional or temporary programs. We have not been the traditional welfare department for many years. We believe the name Division of Transitional and

Supportive Services fits what we do. We do receive comments concerning the stigma of being a welfare office.

Another change we are proposing is associated with NRS 422 which is a mixture of statutes relating to the Welfare Division and the Division of Health Care Financing and Policy. In 1995, Medicaid was separated from the Welfare Division. We felt it was time to create separate chapters from the two divisions. Move the statutes concerning public assistance and welfare, and health care financing into separate chapters.

We propose technical cleanup with the Senior Citizen's Property Tax Assistance Program in NRS 427A. What we are adding is language including the claimant's spouse. There is also an addition of referencing individual retirement accounts and the type of income that is counted in that section.

The next change addresses the reorganization of the Division of Child and Family Services (DCFS).

CHAIR WASHINGTON:

Are you aware there is another bill addressing this issue?

MR. WILLDEN:

Yes. The statutes pertaining to DCFS are in several chapters so we are purposing to move them to a more unified location. There are some references to the Health Division specific to the biostatistician or the chief research and statistical analyst position which are not necessary. The position is a classified position and therefore the duties and qualifications are in the job classification.

We are requesting cleanup language on appointing authority for the Department. In many of our appointed positions, the director is not the final reviewer of those positions. We have had problems where appointments have been made and have not been approved by the director. We want to clarify that the director is the appointing authority in the Department. There have been problems with cases of employee terminations. Hearing officers have indicated that they do not believe the statutes support the director as being the appointing authority for the 5,000 people who are employed in the Department. It needs to be clarified that the director is the appointing authority, not people in lower management positions in the Department.

There are some other cleanup issues needing attention which were not included in the bill. We will work with Ms. Hamner to add those additional items. These changes address the Community Services Block Grant Act. There needs to be deletion of references to children's homes in northern and southern Nevada because they have not been in existence for 20 years.

SENATOR CEGAVSKE:

I have a problem with the name change of the Welfare Division. Is there a cost to changing the names? I did not see a fiscal note. Will the changes require an increase in staffing? By creating two separate chapters, will there be a need to create two separate administrative divisions? Would you explain your request to clarify certain appointments by the director? Have you considered placing Bureau of Alcohol and Drug Abuse (BADA) under your jurisdiction?

MR. WILLDEN:

We do not believe that there is a significant fiscal note to changing the names. There are certain things that would need changing, but it would not be drastic. The only significant fiscal impact would be the signs on the outside of our buildings. There would be no additional staffing necessary by separating the two divisions. After two personnel hearings, administrative law judges alerted the department that the statutes are not clear as to who was the appointing authority.

SENATOR CEGAVSKE:

Did this happen recently?

MR. WILLDEN:

Yes. In answer to your last question, BADA does fit and moved to the Department of Human Resources a few Sessions ago. The one you may be referencing is the Bureau of Disability Adjudication (BDA) which is an organization within the Department of Employment, Training and Rehabilitation. They do adjudications for the Supplemental Security Income program.

SENATOR HORSFORD:

I understand the areas concerning legislative change, but are you doing any streamlining, elimination of regulations or coordination between divisions?

MR. WILLDEN:

There are some sections that can be repealed and eliminated. We are not proposing to streamline any programs. We are just cleaning up the statutes to become more closely aligned with the individuals who work with them. This is a technical bill.

SENATOR HORSFORD:

Changing a name does not change what is happening in the divisions. I believe the divisions can do a better job of providing services. Have there been any efforts to streamline, coordinate and deliver better services? Do these require legislative approval? For example, the federal allocation for our State that is not being utilized is being disbursed to other states even though Nevada has the fastest-growing population and highest rate of uninsured children. I do not want to change a name and do nothing substantive to improve the services.

MR. WILLDEN:

The changes you refer to are ongoing. We are not just changing a name. We are working better and smarter within the Department. We are bringing new services into the Department. One of the collaborative efforts we are making is the Health Insurance Portability and Accountability (HIPAA) Waiver. The HIPAA Waiver is a partnership between county funds and federal funds. It is leveraging federal funds and bringing those funds into the State and expanding services to pregnant women, low-income employees of small businesses and for catastrophic medical events. We have initiated the Ticket to Work Program allowing disabled individuals to work. Within the Department, we have reorganized pieces of the disability services and the Developmental Disabilities Council. We will be returning next Session with a further reorganization of our disability services in this State. The Nevada Check Up program is another program we have revamped. We now have 28,000 persons enrolled in the program and are leveraging federal funds through the Children's Health Insurance Program. We reorganized the Grants Management Unit within the Department. Now, nonprofit and community-based organizations have one application process. There is a uniform assessment of need, a common granting of funds and a common evaluation process.

The Welfare Division has gone through a major transformation over the past few years. We have expanded child-care assistance from \$6 million to \$40 million. We are using certified match from local communities leveraging the federal funds so we are fully leveraged in Nevada for child-care funds. We cannot

receive any additional federal funds, because we are fully leveraged on our child-care funds. There is more to do in the mental health area.

SENATOR HORSFORD:

I am concerned about getting people off the cycle of dependency and provide the supports necessary for self-sufficiency. I urge the Department to look for ways to break new ground.

CHAIR WASHINGTON:

We will wait for the amendment and then process the bill.

SENATOR WIENER:

I know people feel there is a stigma associated with the term welfare. Were people outside the Welfare Division involved in its renaming? The descriptor should be recognizable. It appears that it was crafted by the people who provide the service because it is descriptive, but may have no connection to those who need the service.

MR. WILLDEN:

We did not involve people outside the Department. We involved people inside the Department and Division. We want to achieve name identification. The two most requested services are health care and child care, and not cash benefits. The most important part of S.B. 462 is the technical clean up.

CHARLES DUARTE (Administrator, Division of Health Care Financing and Policy, Department of Human Resources):

The Medicaid Disproportionate Share Hospital (DSH) program was established by the U.S. Congress in 1981. Its purpose was to provide fiscal relief to hospitals that serve the poor. The rationale was to provide special payments in addition to what hospitals were receiving from Medicaid programs. This helps those hospitals receive additional monies so they can continue to serve the people in need. Most of these people were not on Medicaid.

There is federal statutory authority for state Medicaid DSH programs which exists in Title XIX of the Social Security Act, section 1902 and section 1923. I have provided the Committee with a handout ([Exhibit H](#)) which explains the federal authority of the DSH program, the Nevada DSH program and the Intergovernmental Transfer (IGT) program.

CHAIR WASHINGTON:

Would county funds be leveraged against federal funds to receive those monies?

MR. DUARTE:

Yes. Medicaid always requires a state match of funds, and the county funds for IGT provide that state match.

CHAIR WASHINGTON:

In the case of Washoe County, it is almost two-for-one. In Washoe County, the figures are \$1.95 million versus \$4 million.

MR. DUARTE:

It is almost \$5 million in Washoe County. The State does keep a portion of the IGT made by the counties. It goes into an IGT account. One purpose of the account is to make the payments for DSH. It also assures there will be General Fund available to the State. The IGT are not needed as a state match to acquire the federal DSH funds. The extra funds are used to support the Medicaid program. Without those funds we would need more from the General Fund to run the Medicaid program.

I have provided a handout ([Exhibit I](#)) for the Committee explaining the DSH and IGT projections for 2006 and 2007. I draw your attention to the column titled, Projected DSH payments for budget account 3243. You will notice that out of the Medicaid program, \$79.1 million is paid to the hospitals listed. The University Medical Center receives 87 percent of DSH, because they serve a large portion of the Medicaid population and indigent patients. The column on the far right is the projected IGT amount which comes into budget account 3157. The total for that account is \$55.7 million in IGT. Clark County makes about 97 percent of the IGT funds that we need for the DSH program.

The block in the middle of the page describes how the IGT funds are used. The IGT collected by the State is \$55.7 million. We need about \$35.6 million of that amount to acquire the federal funds necessary to make the \$79 million in payments. The State retains approximately \$20.1 million that goes into the Medicaid program in lieu of additional General Fund monies.

SENATOR MATHEWS:

Was there a study on DSH problems?

MR. DUARTE:

This presentation was for the Committee's information. In past Legislative Sessions there has been much activity concerning DSH. There were many bills concerning DSH in 2003; one bill established the DSH program as it is today. There was a study conducted in 2002 that helped to define what needed to be done with the DSH program.

SENATOR HECK:

Why are the hospitals divided into five pools?

MR. DUARTE:

There were many interested parties that wanted to assure the continuation of support to indigent-care services in their area.

SENATOR HECK:

What is the distribution to the various hospitals if the federal qualification criteria were followed?

MR. DUARTE:

I will provide the Committee with that information.

SENATOR HORSFORD:

How is the DSH program working? How are the allocations disbursed?

MR. DUARTE:

From an administrative prospective, the DSH program is challenging. There are systems in place that accommodate the statute put in place in 2003. It is not a major administrative burden. The reason for the pools was to assure that the counties providing the majority of the IGT funds received their equitable share of DSH funds.

MICHAEL T. WALSH (Chief Financial Officer, Financial Administration, University Medical Center):

We will be following your deliberations on DSH for three reasons: first, the University Medical Center (UMC) provides the match for the entire State; second, we have the highest percentage of net uncompensated care, which is the criterion on which the current allocation system is based; third, University Medical Center needs all the federal funds it can get to avoid going to the Clark County taxpayers for funds. This issue has a long history. The legislative

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study recommended and codified a methodology in the NRS which eliminated the necessity to revisit the issue.

MR. DUARTE:

University Medical Center does not provide the IGT funds for this program. Clark County provides the IGT funds. The State is precluded from collecting money from a hospital and paying it back.

MR. WALSH:

I combined Clark County and UMC, because UMC is a county hospital.

SENATOR CEGAVSKE:

I wish to clarify that my previous suggestion to Mr. Willden was concerning the placement of BADA under the Department of Human Resources.

CHAIR WASHINGTON:

There being no other issues before us today, the Senate Committee on Human Resources and Education will adjourn at 2:06 p.m.

RESPECTFULLY SUBMITTED:

Patricia Vardakis,
Committee Secretary

APPROVED BY:

Senator Maurice E. Washington, Chair

DATE: _____