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Office of the Governor

June 16, 2023

The Honorable Francisco Aguilar
Nevada Secretary of State
101 North Carson Street
Carson City, Nevada 89701

Re: Assembly Bill 201 of the 82nd Legislative Session

Dear Secretary of State Aguilar:

I am forwarding to you, for filing within the time limit set forth in the Nevada Constitution and without my approval, Assembly Bill 201 ("AB 201"), which is titled as follows:

AN ACT relating to behavioral health; requiring the Department of Health and Human Services to provide certain oversight and make certain recommendations concerning the children's behavioral health system of care; adding certain members to the subcommittee on the mental health of children of the Commission on Behavioral Health; prescribing certain duties of a regional behavioral health policy board; requiring a mental health consortium to submit certain documents to the Administrator of the Division of Child and Family Services of the Department; clarifying the authority of the State Board of Health to require the licensing of certain facilities; requiring the Legislative Committee on Senior Citizens, Veterans and Adults With Special Needs to conduct a study of the feasibility of formulating and operating a comprehensive state plan to provide behavioral health services; and providing other matters properly relating thereto.

AB 201 requires the Department of Health and Human Services to track spending and quantify cost avoidance based on that spending over time, and to report projected savings for the upcoming two years along with recommendations for the reinvestment of those savings to the Joint Interim Standing Committee on Health and Human Services on a biennial basis.

Cost avoidance is taking an action to avoid having to incur future costs. Unfortunately, these savings are not easily verifiable, especially when it comes to healthcare. Providing some medical intervention now to prevent potential future medical costs is extremely difficult because of the assumptions that those interventions indeed do prevent the future condition from occurring. Providing a report of projected savings that may occur with recommendations to spend dollars

that will certainly occur only results in additional spending without assurances that savings to cover those additional costs will materialize.

This bill also adds this work without providing additional resources to the Department, making the existing employees absorb the work as "other duties as assigned".

Lastly, the bill requires a legislative study, something that can be done without legislation.

Due to the additional work and the lack of evidence that cost avoidance estimates are reliable, I cannot support this bill.

For these reasons, I veto this bill and return it to you without my signature or approval.

Respectfully submitted,



JOE LOMBARDO
Governor of Nevada

Enclosure

- cc: The Honorable Stavros Anthony, President of the Senate (without enclosure)
 The Honorable Nicole Cannizzaro, Senate Majority Leader (without enclosure)
 The Honorable Steve Yeager, Speaker of the Assembly (without enclosure)
 Brendan Bucy, Secretary of the Senate (without enclosure)
 Susan Furlong, Chief Clerk of the Assembly (without enclosure)
 Brenda Erdoes, Esq., Legislative Counsel Bureau, Director (without enclosure)
 Bryan Fernley, Esq., Legislative Counsel (without enclosure)