

ASSEMBLY BILL NO. 543—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF TASK FORCE FOR THE FUND FOR A HEALTHY NEVADA)

MARCH 22, 2001

Referred to Committee on Health and Human Services

SUMMARY—Creates advisory committee to oversee subsidies for provision of prescription drugs and pharmaceutical services. (BDR 40-824)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to the administration of public health; creating an advisory committee to oversee subsidies for the provision of prescription drugs and pharmaceutical services; setting forth the duties of that committee; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 439 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2, 3 and 4 of this act.
3 **Sec. 2.** *As used NRS 439.620, 439.625, 439.630 and sections 2, 3 and*
4 *4 of this act, unless the context otherwise requires, “committee” means*
5 *the advisory committee to oversee subsidies for the provision of*
6 *prescription drugs and pharmaceutical services created pursuant to*
7 *section 3 of this act.*
8 **Sec. 3.** *1. The advisory committee to oversee subsidies for the*
9 *provision of prescription drugs and pharmaceutical services is hereby*
10 *created.*
11 *2. The committee consists of 13 members as follows:*
12 *(a) One member of the senate appointed by the majority leader of the*
13 *senate.*
14 *(b) One member of the assembly appointed by the speaker of the*
15 *assembly.*
16 *(c) Four persons appointed by the majority leader of the senate as*
17 *follows:*



- 1 (1) *One person who is a resident of this state and who is 62 years of*
2 *age or older.*
- 3 (2) *One person who is a pharmacist licensed to practice in this*
4 *state, from a list of nominees submitted by the state board of pharmacy.*
- 5 (3) *One person who has experience in the field of health insurance.*
- 6 (4) *One person who is a represents the American Association of*
7 *Retired Persons or its successor organization.*
- 8 (d) *Four persons appointed by the speaker of the assembly as follows:*
9 (1) *One person who is a resident of this state and who is 62 years of*
10 *age or older.*
- 11 (2) *One person who has experience as an advocate for the rights of*
12 *persons with disabilities.*
- 13 (3) *One person who has experience as an advocate for the rights of*
14 *consumers.*
- 15 (4) *One person who is a physician licensed to practice medicine in*
16 *this state, from a list of nominees submitted by the board of medical*
17 *examiners.*
- 18 (e) *Three persons appointed by the governor as follows:*
19 (1) *One person who has at least 5 years' experience in a high-level*
20 *administrative or executive capacity managing the pharmaceutical*
21 *portion of an employee's benefit plan or any other plan that provides*
22 *coverage for prescription drugs and pharmaceutical services.*
- 23 (2) *One person who has at least 5 years' experience in a high-level*
24 *administrative or executive capacity in the pharmaceutical industry.*
- 25 (3) *One person who is a representative of the general public.*
- 26 3. *Each member of the committee serves for a term of 2 years. A*
27 *vacancy on the committee must be filled in the same manner as the*
28 *original appointment. A member may be reappointed to the committee.*
- 29 4. *The members of the committee shall, by majority vote, elect a*
30 *chairman and vice chairman from among their members. After the initial*
31 *election, the chairman and vice chairman shall serve at the pleasure of*
32 *the committee. If a vacancy occurs in the chairmanship or vice*
33 *chairmanship, the members of the committee shall, by majority vote, elect*
34 *a chairman or vice chairman, as appropriate, from among their*
35 *members.*
- 36 5. *The committee shall meet at least once each calendar quarter, and*
37 *at the call of the chairman or upon the written request of a majority of*
38 *the members of the committee. Any seven members of the committee*
39 *constitute a quorum for the purpose of voting. Except as otherwise*
40 *provided in this subsection, a majority vote of the quorum is required to*
41 *take action with respect to any matter. The affirmative vote of three or*
42 *more members of the committee is sufficient to place an item on the*
43 *agenda for a meeting of the committee.*
- 44 6. *For each day or portion of a day during which a member of the*
45 *committee who is a legislator attends a meeting of the committee or is*
46 *otherwise engaged in the work of the committee, except during a regular*
47 *or special session of the legislature, he is entitled to receive the:*
48 (a) *Compensation provided for a majority of the members of the*
49 *legislature during the first 60 days of the preceding session;*



1 (b) *Per diem allowance provided for state officers and employees*
2 *generally; and*

3 (c) *Travel expenses provided pursuant to NRS 218.2207.*

4 *The compensation, per diem allowances and travel expenses of the*
5 *members of the committee who are legislators must be paid from the*
6 *legislative fund.*

7 7. *For each day or portion of a day during which a member of the*
8 *committee who is not a legislator attends a meeting of the committee or is*
9 *otherwise engaged in the work of the committee, he is entitled to receive*
10 *the per diem allowance and travel expenses provided for state officers*
11 *and employees generally. The per diem allowances and travel expenses of*
12 *the members of the committee who are not legislators must be paid from*
13 *the fund for a healthy Nevada as an administrative expense of that fund*
14 *pursuant to subsection 4 of NRS 439.620.*

15 8. *A member of the committee who is an officer or employee of this*
16 *state or a political subdivision of this state must be relieved from his*
17 *duties without loss of his regular compensation so that he may prepare*
18 *for and attend meetings of the committee and perform any work*
19 *necessary to carry out the duties of the committee in the most timely*
20 *manner practicable. A state agency or political subdivision of this state*
21 *shall not require an officer or employee who is a member of the*
22 *committee to:*

23 (a) *Make up the time he is absent from work to carry out his duties as*
24 *a member of the committee; or*

25 (b) *Take annual leave or compensatory time for the absence.*

26 9. *The director of the department of human resources shall designate*
27 *one or more employees of the department to provide the committee with*
28 *secretarial and administrative support.*

29 **Sec. 4. 1.** *The primary duties of the committee are to review,*
30 *oversee and make recommendations concerning the operation of the*
31 *program set forth in NRS 439.635 to 439.690, inclusive.*

32 2. *In carrying out the duties set forth in subsection 1, the committee*
33 *shall, without limitation:*

34 (a) *Receive public comment regarding the efficacy of the program,*
35 *including, without limitation, complaints regarding the operation of the*
36 *program and suggestions from members of the public regarding ways in*
37 *which the program may be improved;*

38 (b) *Promote, insofar as is practicable, cooperation and consensus*
39 *among state agencies to determine whether and by what specific means*
40 *the cost of prescription drugs and pharmaceutical services offered*
41 *pursuant to the program may be lowered by purchasing in bulk to take*
42 *advantage of economies of scale;*

43 (c) *Review and make recommendations pertaining to any formulary*
44 *or other list that sets forth the prescription drugs and pharmaceutical*
45 *services which are covered under the program;*

46 (d) *Investigate and make recommendations concerning ways in which*
47 *the program may be altered so that the program operates in the most*
48 *efficient and cost-effective manner possible;*



1 (e) *Examine the policies and practices of customer service which are*
2 *carried out pursuant to the program and propose ways in which the*
3 *program should be operated so as to be highly responsive to the needs of*
4 *persons who are enrolled in the program;*

5 (f) *Review and make recommendations concerning the readability,*
6 *usefulness and truthfulness of any informational materials provided*
7 *pursuant to the program to persons who are or may become enrolled in*
8 *the program;*

9 (g) *Monitor similar programs which are conducted in other states so*
10 *that the members of the committee remain informed concerning any new*
11 *developments and ideas which may be useful in making*
12 *recommendations regarding the operation of the program; and*

13 (h) *Take any other actions that the committee determines to be*
14 *necessary in carrying out its functions of overseeing, reviewing and*
15 *making recommendations concerning the operation of the program.*

16 3. *At least once each year on or before January 15, the committee*
17 *shall report its findings, recommendations and other proposals to:*

18 (a) *The governor;*

19 (b) *The task force for the fund for a healthy Nevada; and*

20 (c) *The director of the legislative counsel bureau for transmittal to the*
21 *senate standing committee on human resources and facilities and*
22 *assembly standing committee on health and human services during a*
23 *regular or special session of the legislature, and the interim finance*
24 *committee when the legislature is not in session.*

25 **Sec. 5.** NRS 439.620 is hereby amended to read as follows:

26 439.620 1. The fund for a healthy Nevada is hereby created in the
27 state treasury. The state treasurer shall deposit in the fund:

28 (a) Fifty percent of all money received by this state pursuant to any
29 settlement entered into by the State of Nevada and a manufacturer of
30 tobacco products; and

31 (b) Fifty percent of all money recovered by this state from a judgment
32 in a civil action against a manufacturer of tobacco products.

33 2. The state treasurer shall administer the fund. As administrator of the
34 fund, the state treasurer:

35 (a) Shall maintain the financial records of the fund;

36 (b) Shall invest the money in the fund as the money in other state funds
37 is invested;

38 (c) Shall manage any account associated with the fund;

39 (d) Shall maintain any instruments that evidence investments made with
40 the money in the fund;

41 (e) May contract with vendors for any good or service that is necessary
42 to carry out the provisions of this section; and

43 (f) May perform any other duties necessary to administer the fund.

44 3. The interest and income earned on the money in the fund must, after
45 deducting any applicable charges, be credited to the fund. All claims
46 against the fund must be paid as other claims against the state are paid.

47 4. Not more than 2 percent of the money in the fund may be used to
48 pay the costs of administering the fund.



1 5. The money in the fund remains in the fund and does not revert to the
2 state general fund at the end of any fiscal year.

3 6. All money that is deposited or paid into the fund is hereby
4 appropriated to the department and, except as otherwise provided in
5 ~~{paragraphs}~~ :

6 (a) *Paragraphs* (c) and (d) of subsection 1 of NRS 439.630 ~~H~~ ; and

7 (b) *Subsection 7 of section 3 of this act,*

8 may only be expended pursuant to an allocation made by the task force for
9 the fund for a healthy Nevada. Money expended from the fund for a
10 healthy Nevada must not be used to supplant existing methods of funding
11 that are available to public agencies.

12 **Sec. 6.** As soon as practicable after July 1, 2001, the governor, the
13 majority leader of the senate and the speaker of the assembly shall,
14 pursuant to section 3 of this act, appoint the members of the advisory
15 committee to oversee subsidies for the provision of prescription drugs and
16 pharmaceutical services.

17 **Sec. 7.** This act becomes effective on July 1, 2001.

