

SENATE BILL NO. 167—COMMITTEE ON HUMAN RESOURCES AND
FACILITIES

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

FEBRUARY 15, 2001

Referred to Committee on Human Resources and Facilities

SUMMARY—Expands program of subsidies for provision of prescription drugs and pharmaceutical services to senior citizens to include persons with disabilities who have modest incomes. (BDR 40-827)

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

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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; expanding the program of subsidies for the provision of prescription drugs and pharmaceutical services to senior citizens to include persons with disabilities who have modest incomes; clarifying that certain revenues deposited in the fund for a healthy Nevada may be expended on programs to improve the health or well-being of children and persons with disabilities; 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 a
2 new section to read as follows:

3 ***“Person with a disability” means a person who is domiciled in this***
4 ***state and who has a physical or mental impairment that substantially***
5 ***limits one or more of the major life activities of the person.***

6 **Sec. 2.** NRS 439.600 is hereby amended to read as follows:

7 439.600 1. The legislature hereby declares that its priorities in
8 expending the proceeds to the State of Nevada from settlement agreements
9 with and civil actions against manufacturers of tobacco products are:

10 (a) To increase the number of Nevada students who attend and graduate
11 from Nevada institutions of higher education; and

12 (b) To assist Nevada residents in obtaining and maintaining good
13 health.

14 2. To further these priorities, the legislature hereby declares that it is in
15 the best interest of the residents of this state that all money received by the
16 State of Nevada pursuant to any settlement entered into by the State of



1 Nevada and a manufacturer of tobacco products and all money recovered
2 by the State of Nevada from a judgment in a civil action against a
3 manufacturer of tobacco products be dedicated solely toward the
4 achievement of the following goals:

5 (a) Increasing the number of Nevada residents who enroll in and attend
6 a university or community college of the University and Community
7 College System of Nevada;

8 (b) Reducing and preventing the use of tobacco products, alcohol and
9 illegal drugs, especially by children;

10 (c) Expanding the availability of health insurance and health care for
11 children and adults in this state, especially for children and for adults with
12 disabilities;

13 (d) Assisting senior citizens *and persons with disabilities* who have
14 modest incomes in purchasing prescription drugs and assisting ~~those~~
15 senior citizens in meeting their needs related to health care, home care,
16 respite care and their ability to live independent of institutional care; and

17 (e) Promoting the general health of all residents of the State of Nevada.

18 **Sec. 3.** NRS 439.630 is hereby amended to read as follows:

19 439.630 1. The task force for the fund for a healthy Nevada shall:

20 (a) Conduct public hearings to accept public testimony from a wide
21 variety of sources and perspectives regarding existing or proposed
22 programs that:

23 (1) Promote public health;

24 (2) Improve *the* health ~~services for~~ *or well-being of* children, senior
25 citizens and persons with disabilities;

26 (3) Reduce or prevent the use of tobacco;

27 (4) Reduce or prevent the abuse of and addiction to alcohol and
28 drugs; and

29 (5) Offer other general or specific information on health care in this
30 state.

31 (b) Establish a process to evaluate the health and health needs of the
32 residents of this state and a system to rank the health problems of the
33 residents of this state, including, without limitation, the specific health
34 problems that are endemic to urban and rural communities.

35 (c) Reserve not more than 30 percent of all revenues deposited in the
36 fund for a healthy Nevada each year for direct expenditure by the
37 department to pay for prescription drugs and pharmaceutical services for
38 senior citizens *and persons with disabilities* pursuant to NRS 439.635 to
39 439.690, inclusive ~~§~~ *, and section 1 of this act*. The department shall
40 submit a quarterly report to the governor and interim finance committee
41 regarding the general manner in which expenditures have been made
42 pursuant to this paragraph and the status of the program.

43 (d) Reserve not more than 30 percent of all revenues deposited in the
44 fund for a healthy Nevada each year for allocation by the aging services
45 division of the department in the form of grants for existing or new
46 programs that assist senior citizens with independent living, including,
47 without limitation, programs that provide:

48 (1) Respite care or relief of family caretakers;



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1 (2) Transportation to new or existing services to assist senior citizens
2 in living independently; and

3 (3) Care in the home which allows senior citizens to remain at home
4 instead of in institutional care.

5 (e) Allocate for expenditure not more than 20 percent of all revenues
6 deposited in the fund for a healthy Nevada each year for programs that
7 prevent, reduce or treat the use of tobacco and the consequences of the use
8 of tobacco.

9 (f) Allocate for expenditure not more than 20 percent of all revenues
10 deposited in the fund ~~each year~~ for a healthy Nevada *each year* for
11 programs that improve *the* health ~~services for~~ *or well-being of* children
12 and ~~for~~ persons with disabilities.

13 (g) Maximize expenditures through local, federal and private matching
14 contributions.

15 (h) Ensure that any money expended from the fund for a healthy
16 Nevada will not be used to supplant existing methods of funding that are
17 available to public agencies.

18 (i) Develop policies and procedures for the administration and
19 distribution of grants and other expenditures to nonprofit organizations,
20 universities and community colleges. A condition of any such grant must
21 be that not more than 8 percent of the grant may be used for administrative
22 expenses or other indirect costs. The procedures must require at least one
23 competitive round of requests for proposals.

24 (j) To make the allocations required by paragraphs (e) and (f) : ~~to~~
25 ~~subsection 1:~~

26 (1) Prioritize and quantify the needs for these programs;

27 (2) Develop, solicit and accept grant applications for allocations;

28 (3) Conduct annual evaluations of programs to which allocations
29 have been awarded; and

30 (4) Submit annual reports concerning the programs to the governor
31 and the interim finance committee.

32 (k) Transmit a report of all findings, recommendations and expenditures
33 to the governor and each regular session of the legislature.

34 2. The task force may take such other actions as are necessary to carry
35 out its duties.

36 3. The department shall take all actions necessary to ensure that all
37 allocations for expenditures made by the task force are carried out as
38 directed by the task force.

39 4. To make the allocations required by paragraph (d) of subsection 1,
40 the aging services division of the department shall:

41 (a) Prioritize and quantify the needs of senior citizens for these
42 programs;

43 (b) Develop, solicit and accept grant applications for allocations;

44 (c) As appropriate, expand or augment existing state programs for
45 senior citizens upon approval of the interim finance committee;

46 (d) Award grants or other allocations;

47 (e) Conduct annual evaluations of programs to which grants or other
48 allocations have been awarded; and



1 (f) Submit annual reports concerning the grant program to the governor
2 and the interim finance committee.

3 5. The aging services division of the department shall submit each
4 proposed grant which would be used to expand or augment an existing
5 state program to the interim finance committee for approval before the
6 grant is awarded. The request for approval must include a description of
7 the proposed use of the money and the person or entity that would be
8 authorized to expend the money.

9 6. The department, on behalf of the task force, shall submit each
10 allocation proposed pursuant to paragraph (e) or (f) of subsection 1 which
11 would be used to expand or augment an existing state program to the
12 interim finance committee for approval before the grant is awarded. The
13 request for approval must include a description of the proposed use of the
14 money and the person or entity that would be authorized to expend the
15 money.

16 **Sec. 4.** NRS 439.635 is hereby amended to read as follows:

17 439.635 As used in NRS 439.635 to 439.690, inclusive, *and section 1*
18 *of this act*, unless the context otherwise requires, the words and terms
19 defined in NRS 439.640, 439.645 and 439.650 *and section 1 of this act*
20 have the meanings ascribed to them in those sections.

21 **Sec. 5.** NRS 439.640 is hereby amended to read as follows:

22 439.640 "Household income" ~~has the meaning ascribed to it in NRS~~
23 ~~361.820.~~ *means:*

24 1. *With respect to a person with a disability who is not also a senior*
25 *citizen:*

26 (a) *If the person with a disability is a child, the income received by the*
27 *parents of the person with a disability.*

28 (b) *If the person with a disability is not a child, the income received by*
29 *the person with a disability plus the income received by that person's*
30 *spouse, if any.*

31 2. *With respect to a person who is a senior citizen, the household*
32 *income that would be used to calculate his eligibility to receive a refund*
33 *pursuant to NRS 361.800 to 361.877, inclusive.*

34 **Sec. 6.** NRS 439.655 is hereby amended to read as follows:

35 439.655 The department is responsible for the administration of the
36 provisions of NRS 439.635 to 439.690, inclusive, *and section 1 of this act*
37 and may:

38 1. Prescribe the content and form of a request for a subsidy required to
39 be submitted pursuant to NRS 439.670.

40 2. Designate the proof that must be submitted with such a request.

41 3. Adopt regulations to protect the confidentiality of information
42 supplied by a senior citizen ~~requesting~~ *or person with a disability who*
43 *requests* a subsidy pursuant to NRS 439.670.

44 4. Adopt such other regulations as may be required to carry out the
45 provisions of NRS 439.635 to 439.690, inclusive ~~+~~, *and section 1 of this*
46 *act.*

47 **Sec. 7.** NRS 439.665 is hereby amended to read as follows:

48 439.665 1. The department shall enter into contracts with private
49 insurers who transact health insurance in this state to arrange for the



1 availability, at a reasonable cost, of policies of health insurance that
2 provide coverage to senior citizens *and persons with disabilities* for
3 prescription drugs and pharmaceutical services.

4 2. Within the limits of the money available for this purpose in the fund
5 for a healthy Nevada, a ~~senior~~ :

6 (a) *Senior citizen ; or*

7 (b) *Person with a disability,*

8 who is not eligible for Medicaid and who purchases a policy of health
9 insurance that is made available pursuant to subsection 1 is entitled to an
10 annual grant from the trust fund to subsidize a portion of the cost of that
11 insurance if he has been domiciled in this state for at least 1 year
12 immediately preceding the date of his application and his household
13 income is within one of the income ranges for which grants are provided
14 pursuant to this subsection to the extent determined by the percentage
15 shown opposite his household income on the following schedule:

Amount of Household		Percent of	
Income Is Over		Cost of Insurance Allowable	
	But Not Over	as a Subsidy	
\$0	- \$12,700	90	
12,700	- 14,800	80	
14,800	- 17,000	50	
17,000	- 19,100	25	
19,100	- 21,500	10	

24 3. The amount of any subsidy granted pursuant to this section must not
25 exceed the annual cost of insurance that provides coverage for prescription
26 drugs and pharmaceutical services or \$480 per year, whichever is less.

27 4. *A senior citizen who is also a person with a disability may, if*
28 *otherwise qualified pursuant to this section, receive one subsidy as either*
29 *a senior citizen or as a person with a disability, but is not eligible to*
30 *receive a subsidy based upon both characteristics.*

31 **Sec. 8.** NRS 439.670 is hereby amended to read as follows:

32 439.670 1. A senior citizen *or person with a disability* who wishes to
33 receive a subsidy pursuant to NRS 439.665 must file a request therefor
34 with the department.

35 2. The request must be made under oath and filed in such form and
36 content, and accompanied by such proof, as the department may prescribe.

37 3. The department shall, within 45 days after receiving a request for a
38 subsidy, examine the request, grant or deny it, and if granted, shall
39 determine the amount of the subsidy to which the senior citizen *or person*
40 *with a disability* is entitled.

41 4. The department shall determine which senior citizens *and persons*
42 *with disabilities* are eligible to receive a subsidy pursuant to NRS 439.665
43 and pay the subsidy directly to an insurer with whom the department has
44 entered into a contract pursuant to NRS 439.665.

45 **Sec. 9.** NRS 439.675 is hereby amended to read as follows:

46 439.675 1. The department shall deny any request for a subsidy
47 received pursuant to NRS 439.670 to which the senior citizen *or person*
48 *with a disability* is not entitled or any amount in excess of that to which the
49 senior citizen *or person with a disability* is entitled.



1 2. The department may deny in total any request which it finds to have
2 been filed with fraudulent intent. If any such request has been paid and is
3 afterward denied, the amount of the subsidy must be repaid by the senior
4 citizen *or person with a disability* to the department.

5 3. Any amounts received by the department pursuant to this section
6 must be deposited with the state treasurer for credit to the fund for a
7 healthy Nevada.

8 **Sec. 10.** NRS 439.685 is hereby amended to read as follows:

9 439.685 Any subsidy granted pursuant to NRS 439.665 to a senior
10 citizen *or person with a disability* who is not qualified for such a subsidy
11 may be revoked by the department. If a subsidy is so revoked, the senior
12 citizen *or person with a disability* shall make restitution to the department
13 for any subsidy he has improperly received, and the department shall take
14 all proper actions to collect the amount of the subsidy as a debt.

15 **Sec. 11.** NRS 396.911 is hereby amended to read as follows:

16 396.911 1. The legislature hereby declares that its priorities in
17 expending the proceeds to the State of Nevada from settlement agreements
18 with and civil actions against manufacturers of tobacco products are:

19 (a) To increase the number of Nevada students who attend and graduate
20 from Nevada institutions of higher education; and

21 (b) To assist Nevada residents in obtaining and maintaining good
22 health.

23 2. To further these priorities, the legislature hereby declares that it is in
24 the best interest of the residents of the State of Nevada that all money
25 received by the State of Nevada pursuant to any settlement entered into by
26 the State of Nevada and a manufacturer of tobacco products and all money
27 recovered by the State of Nevada from a judgment in a civil action against
28 a manufacturer of tobacco products be dedicated solely toward the
29 achievement of the following goals:

30 (a) Increasing the number of residents of the State of Nevada who enroll
31 in and attend a university or community college of the University and
32 Community College System of Nevada;

33 (b) Reducing and preventing the use of tobacco products, alcohol and
34 illegal drugs, especially by children;

35 (c) Expanding the availability of health insurance and health care for
36 children and adults in this state, especially for children and for adults with
37 disabilities;

38 (d) Assisting senior citizens *and persons with disabilities* who have
39 modest incomes in purchasing prescription drugs and assisting ~~those~~
40 senior citizens in meeting their needs related to health care, home care,
41 respite care and their ability to live independent of institutional care; and

42 (e) Promoting the general health of all residents of the State of Nevada.

43 **Sec. 12.** This act becomes effective on July 1, 2001.

