

SENATE BILL NO. 539—COMMITTEE ON HUMAN RESOURCES AND
FACILITIES

(ON BEHALF OF DEPARTMENT OF HUMAN
RESOURCES—DIRECTOR'S OFFICE)

MARCH 26, 2001

Referred to Committee on Human Resources and Facilities

SUMMARY—Makes various changes concerning fund for a healthy Nevada. (BDR 40-536)

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 fund for a healthy Nevada; providing that a portion of the money in the fund may be used to pay certain administrative costs incurred by the department of human resources; revising the procedures for allocating money in the fund; revising provisions relating to the program of subsidies for the provision of prescription drugs and pharmaceutical services to senior citizens; increasing the maximum allowable subsidies for senior citizens who participate in that program; authorizing the department of human resources to change that program under certain circumstances; 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 and 3 of this act.
3 **Sec. 2. 1. *From the money allocated to the aging services division***
4 ***of the department pursuant to NRS 439.620, the division shall award***
5 ***grants for existing or new programs which assist senior citizens with***
6 ***independent living, including, without limitation, programs which***
7 ***provide:***
8 ***(a) Respite care or relief for family caretakers;***
9 ***(b) Transportation to new or existing services to assist senior citizens***
10 ***in living independently; and***
11 ***(c) Care in the home which allows senior citizens to remain at home***
12 ***instead of in institutional care.***
13 **2. *In carrying out its duties set forth in subsection 1, the aging***
14 ***services division of the department shall:***



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- 1 (a) *Prioritize and quantify the needs of senior citizens for the*
2 programs;
3 (b) *Develop, solicit and accept grant applications;*
4 (c) *As appropriate, expand or augment existing state programs for*
5 *senior citizens upon approval of the interim finance committee pursuant*
6 *to subsection 3;*
7 (d) *Award grants;*
8 (e) *Conduct annual evaluations of programs to which grants have*
9 *been awarded; and*
10 (f) *Submit annual reports concerning the grant program to the*
11 governor and the interim finance committee.
12 3. *The aging services division of the department shall submit each*
13 *proposed grant that would be used to expand or augment an existing*
14 *state program to the interim finance committee for approval before the*
15 *grant is awarded. The request for approval must include a description of*
16 *the proposed use of the money and the person or entity that would be*
17 *authorized to expend the money.*
18 4. *A condition of a grant that is awarded pursuant to this section*
19 *must be that not more than 8 percent of the grant may be used for*
20 *administrative expenses or other indirect costs.*
21 **Sec. 3.** 1. *From the money allocated to the department pursuant to*
22 *NRS 439.620, the department shall, except as otherwise provided in*
23 *subsections 6 and 7 of NRS 439.665, subsidize all or a portion of the cost*
24 *of policies of health insurance that provide coverage to senior citizens for*
25 *prescription drugs and pharmaceutical services pursuant to this section*
26 *and NRS 439.635 to 439.690, inclusive.*
27 2. *The department shall submit a quarterly report to the governor*
28 *and the interim finance committee regarding the general manner in*
29 *which expenditures have been made pursuant to this section and*
30 *regarding the status of the program established pursuant to this section*
31 *and NRS 439.635 to 439.690, inclusive.*
32 **Sec. 4.** NRS 439.620 is hereby amended to read as follows:
33 439.620 1. The fund for a healthy Nevada is hereby created in the
34 state treasury. The state treasurer shall deposit in the fund:
35 (a) Fifty percent of all money received by this state pursuant to any
36 settlement entered into by the State of Nevada and a manufacturer of
37 tobacco products; and
38 (b) Fifty percent of all money recovered by this state from a judgment
39 in a civil action against a manufacturer of tobacco products.
40 2. The state treasurer shall administer the fund. As administrator of the
41 fund, the state treasurer:
42 (a) Shall maintain the financial records of the fund;
43 (b) Shall invest the money in the fund as the money in other state funds
44 is invested;
45 (c) Shall manage any account associated with the fund;
46 (d) Shall maintain any instruments that evidence investments made with
47 the money in the fund;
48 (e) *Shall allocate the money in the fund pursuant to subsection 5;*



1 (f) May contract with vendors for any good or service that is necessary
2 to carry out the provisions of this section; and
3 ~~16-1~~ (g) May perform any other duties necessary to administer the fund.
4 3. The interest and income earned on the money in the fund must, after
5 deducting any applicable charges, be credited to the fund. All claims
6 against the fund must be paid as other claims against the state are paid.
7 4. ~~16-1~~ *The interim finance committee may allocate for expenditure*
8 *not more than 21 5 percent of the money in the fund ~~may be used~~, as*
9 *calculated pursuant to this subsection, each year to pay the costs ~~of~~*
10 *administering* incurred by the state treasurer to administer the fund ~~16-1~~
11 *and the costs incurred by the department including, without limitation,*
12 *the aging services division of the department, to carry out its duties set*
13 *forth in NRS 439.625 to 439.690, inclusive, and sections 2 and 3 of this*
14 *act. The amount of money available for allocation to pay for such costs*
15 *must be calculated at the beginning of each fiscal year based on the sum*
16 *of the unallocated portion of the balance of the fund, including, without*
17 *limitation, any interest and income earned on the money in the fund,*
18 *plus the total amount of money anticipated by the state treasurer to be*
19 *deposited in the fund during that fiscal year. Any money which is*
20 *allocated pursuant to this subsection or subsection 5 and which is not*
21 *expended by the end of the fiscal year for the purpose for which it was*
22 *allocated shall be deemed an unallocated portion of the balance of the*
23 *fund for the purpose of the calculation made pursuant to this subsection.*
24 5. *After the amount of the administrative costs allocated pursuant to*
25 *subsection 4 has been subtracted from the amount of money in the fund*
26 *for a healthy Nevada and the amount of money which was allocated in*
27 *previous years pursuant to this subsection and which was not expended*
28 *has been subtracted from the amount of money in the fund, the state*
29 *treasurer shall allocate the remaining amount of money in the fund in*
30 *the following manner:*
31 (a) *Thirty percent to the aging services division of the department for*
32 *awarding grants pursuant to section 2 of this act;*
33 (b) *Thirty percent to the department for expenditure pursuant to*
34 *section 3 of this act;*
35 (c) *Twenty percent to the task force for the fund for a healthy Nevada*
36 *for allocation pursuant to paragraph (c) of subsection 1 of NRS 439.630;*
37 *and*
38 (d) *Twenty percent to the task force for the fund for a healthy Nevada*
39 *for allocation pursuant to paragraph (d) of subsection 1 of NRS 439.630.*
40 6. *Any amount of money that is allocated pursuant to subsection 4 or*
41 *5 and that is not expended by the end of any fiscal year for the purpose*
42 *for which it was allocated must remain allocated to the same person,*
43 *division, department, or task force to which it was allocated for the same*
44 *purpose for which it was allocated and does not revert to the state general*
45 *fund at the end of any fiscal year.*
46 7. The money in the fund remains in the fund and does not revert to the
47 state general fund at the end of any fiscal year.
48 ~~16-1~~ 8. All money that is deposited or paid into the fund is hereby
49 appropriated to the department ~~and, except as otherwise provided in~~



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1 ~~paragraphs (c) and (d) of subsection 1 of NRS 439.630,~~ *and* may only be
2 expended pursuant to an allocation made ~~{by the task force for the fund for~~
3 ~~a healthy Nevada}~~ *pursuant to this section.* Money expended from the
4 fund for a healthy Nevada must not be used to supplant existing methods of
5 funding that are available to public agencies.

6 **Sec. 5.** NRS 439.630 is hereby amended to read as follows:
7 439.630 1. The task force for the fund for a healthy Nevada shall:
8 (a) Conduct public hearings to accept public testimony from a wide
9 variety of sources and perspectives regarding existing or proposed
10 programs that:
11 (1) Promote public health;
12 (2) Improve health services for children, senior citizens and persons
13 with disabilities;
14 (3) Reduce or prevent the use of tobacco;
15 (4) Reduce or prevent the abuse of and addiction to alcohol and
16 drugs; and
17 (5) Offer other general or specific information on health care in this
18 state.
19 (b) Establish a process to evaluate the health and health needs of the
20 residents of this state and a system to rank the health problems of the
21 residents of this state, including, without limitation, the specific health
22 problems that are endemic to urban and rural communities.
23 (c) ~~{Reserve not more than 30 percent of all revenues deposited in the~~
24 ~~fund for a healthy Nevada each year for direct expenditure by the~~
25 ~~department to pay for prescription drugs and pharmaceutical services for~~
26 ~~senior citizens pursuant to NRS 439.635 to 439.690, inclusive. The~~
27 ~~department shall submit a quarterly report to the governor and interim~~
28 ~~finance committee regarding the general manner in which expenditures~~
29 ~~have been made pursuant to this paragraph and the status of the program.~~
30 ~~—(d) Reserve not more than 30 percent of all revenues deposited in the~~
31 ~~fund for a healthy Nevada each year for allocation by the aging services~~
32 ~~division of the department in the form of grants for existing or new~~
33 ~~programs that assist senior citizens with independent living, including,~~
34 ~~without limitation, programs that provide:~~
35 ~~—(1) Respite care or relief of family caretakers;~~
36 ~~—(2) Transportation to new or existing services to assist senior citizens~~
37 ~~in living independently; and~~
38 ~~—(3) Care in the home which allows senior citizens to remain at home~~
39 ~~instead of in institutional care.~~
40 ~~—(e) Allocate} *From the money allocated to the task force pursuant to*~~
41 ~~NRS 439.620, allocate~~ *for expenditure {not more than 20 percent of all*
42 ~~revenues deposited in the fund for a healthy Nevada each year} money~~ *for*
43 *programs that prevent, reduce or treat the use of tobacco and the*
44 *consequences of the use of tobacco.*
45 ~~{(f) Allocate}~~
46 *(d) From the money allocated to the task force pursuant to NRS*
47 *439.620, allocate* *for expenditure {not more than 20 percent of all revenues*
48 ~~deposited in the fund each year for a healthy Nevada}~~ *money* *for programs*
49 *that improve health services for children and for persons with disabilities.*



1 ~~1(e)~~ (e) Maximize expenditures through local, federal and private
2 matching contributions.
3 ~~1(f)~~ (f) Ensure that any money expended from the fund for a healthy
4 Nevada will not be used to supplant existing methods of funding that are
5 available to public agencies.
6 ~~1(g)~~ (g) Develop policies and procedures for the administration and
7 distribution of grants and other expenditures to *state agencies, political*
8 *subdivisions*, nonprofit organizations, universities and community
9 colleges. A condition of any such grant must be that not more than 8
10 percent of the grant may be used for administrative expenses or other
11 indirect costs. The procedures must require at least one competitive round
12 of requests for proposals.
13 ~~1(h)~~ (h) To make the allocations required by paragraphs ~~1(e) and 1(f)~~ of
14 ~~subsection 1;~~ (c) and (d):
15 (1) Prioritize and quantify the needs for these programs;
16 (2) Develop, solicit and accept grant applications for allocations;
17 (3) Conduct annual evaluations of programs to which allocations
18 have been awarded; and
19 (4) Submit annual reports concerning the programs to the governor
20 and the interim finance committee.
21 ~~1(i)~~ (i) Transmit a report of all findings, recommendations and
22 expenditures to the governor and each regular session of the legislature.
23 2. The task force may take such other actions as are necessary to carry
24 out its duties.
25 3. The department shall take all actions necessary to ensure that all
26 allocations for expenditures made by the task force are carried out as
27 directed by the task force.
28 4. ~~To make the allocations required by paragraph (d) of subsection 1,~~
29 ~~the aging services division of the department shall:~~
30 ~~—(a) Prioritize and quantify the needs of senior citizens for these~~
31 ~~programs;~~
32 ~~—(b) Develop, solicit and accept grant applications for allocations;~~
33 ~~—(c) As appropriate, expand or augment existing state programs for~~
34 ~~senior citizens upon approval of the interim finance committee;~~
35 ~~—(d) Award grants or other allocations;~~
36 ~~—(e) Conduct annual evaluations of programs to which grants or other~~
37 ~~allocations have been awarded; and~~
38 ~~—(f) Submit annual reports concerning the grant program to the governor~~
39 ~~and the interim finance committee.~~
40 ~~—5. The aging services division of the department shall submit each~~
41 ~~proposed grant which would be used to expand or augment an existing~~
42 ~~state program to the interim finance committee for approval before the~~
43 ~~grant is awarded. The request for approval must include a description of~~
44 ~~the proposed use of the money and the person or entity that would be~~
45 ~~authorized to expend the money.~~
46 ~~—6.~~ The department, on behalf of the task force, shall submit each
47 allocation proposed pursuant to paragraph ~~1(e) or 1(f)~~ (c) or (d) of
48 subsection 1 which would be used to expand or augment an existing state
49 program to the interim finance committee for approval before the grant is



1 awarded. The request for approval must include a description of the
2 proposed use of the money and the person or entity that would be
3 authorized to expend the money.

4 **Sec. 6.** NRS 439.635 is hereby amended to read as follows:
5 439.635 As used in NRS 439.635 to 439.690, inclusive, *and section 3*
6 *of this act*, unless the context otherwise requires, the words and terms
7 defined in NRS 439.640, 439.645 and 439.650 have the meanings ascribed
8 to them in those sections.

9 **Sec. 7.** NRS 439.665 is hereby amended to read as follows:
10 439.665 1. The department shall enter into contracts with private
11 insurers who transact health insurance in this state to arrange for the
12 availability, at a reasonable cost, of policies of health insurance that
13 provide coverage to senior citizens for prescription drugs and
14 pharmaceutical services. *In arranging for the availability of such policies*
15 *of health insurance, the department:*

16 *(a) Shall arrange for the availability of a basic policy of health*
17 *insurance that provides such coverage; and*

18 *(b) May arrange for the availability of more than one type of policy of*
19 *health insurance that provides such coverage.*

20 2. Within the limits of the money available for this purpose in the fund
21 for a healthy Nevada, a senior citizen who is not eligible for Medicaid and
22 who purchases ~~at~~ *any* policy of health insurance that is made available
23 pursuant to subsection 1 is entitled to an annual grant from the trust fund to
24 subsidize *all or* a portion of the cost of that insurance if he has been
25 domiciled in this state for at least 1 year immediately preceding the date of
26 his application and *, except as otherwise provided in subsection 5,* his
27 household income is within one of the income ranges for which grants are
28 provided pursuant to this ~~subsection~~ *section.*

29 3. *A senior citizen described in subsection 2 who purchases the basic*
30 *policy of health insurance is entitled to an annual grant* to the extent
31 determined by the percentage shown opposite his household income on the
32 following schedule:

Amount of Household		But Not Over	Percent of Cost of Insurance Allowable as a Subsidy
Income Is Over			
\$0	—	\$12,700	190 <i>100</i>
12,700	—	14,800	180 <i>90</i>
14,800	—	17,000	150 <i>80</i>
17,000	—	19,100	125 <i>50</i>
19,100	—	21,500	110 <i>25</i>

42
43 ~~13-1~~ 4. The amount of any subsidy granted pursuant to this section
44 ~~must~~ *:*

45 *(a) Must* not exceed the annual cost of *the basic policy of health*
46 *insurance that provides coverage for prescription drugs and pharmaceutical*
47 *services* ~~for \$480 per year, whichever is less.~~ *; and*



1 ***(b) Must be calculated as if the senior citizen for whom the subsidy is***
2 ***provided had purchased the basic policy of health insurance, regardless***
3 ***of the type of policy that the senior citizen actually purchased.***

4 ***5. The department may waive the eligibility requirement set forth in***
5 ***subsection 2 regarding household income upon written request of the***
6 ***applicant if the circumstances of the applicant's household have changed***
7 ***as a result of:***

8 ***(a) Illness;***

9 ***(b) Disability; or***

10 ***(c) Extreme financial hardship based on a significant reduction of***
11 ***income, when considering the applicant's current financial***
12 ***circumstances.***

13 ***An applicant who requests such a waiver shall include with that request***
14 ***all medical and financial documents that support his request.***

15 ***6. If the Federal Government provides any coverage of prescription***
16 ***drugs and pharmaceutical services for senior citizens who are eligible for***
17 ***a subsidy pursuant to subsections 1 to 5, inclusive, the department may,***
18 ***upon approval of the legislature or the interim finance committee if the***
19 ***legislature is not in session, change any program established pursuant to***
20 ***NRS 439.635 to 439.690, inclusive, and section 3 of this act, and***
21 ***otherwise provide assistance with prescription drugs and pharmaceutical***
22 ***services for senior citizens within the limits of the money available for***
23 ***this purpose in the fund for a healthy Nevada.***

24 ***7. The provisions of subsections 1 to 5, inclusive, do not apply if the***
25 ***department provides assistance with prescription drugs and***
26 ***pharmaceutical services for senior citizens pursuant to subsection 6.***

27 **Sec. 8.** NRS 218.6827 is hereby amended to read as follows:

28 218.6827 1. Except as otherwise provided in subsections 2 and 3, the
29 interim finance committee may exercise the powers conferred upon it by
30 law only when the legislature is not in regular or special session.

31 2. During a regular session, the interim finance committee may also
32 perform the duties imposed on it by subsection 5 of NRS 284.115,
33 subsection 2 of NRS 321.335, NRS 322.007, subsection 2 of NRS 323.020,
34 NRS 323.050, subsection 1 of NRS 323.100, subsection 1 of NRS 341.145,
35 NRS 353.220, 353.224, 353.2705 to 353.2771, inclusive, and 353.335,
36 paragraph (b) of subsection 4 of NRS 407.0762, NRS 428.375, **439.620,**
37 **439.630,** subsection 6 of NRS 445B.830 and NRS 538.650 **and section 2**
38 **of this act.** In performing those duties, the senate standing committee on
39 finance and the assembly standing committee on ways and means may
40 meet separately and transmit the results of their respective votes to the
41 chairman of the interim finance committee to determine the action of the
42 interim finance committee as a whole.

43 3. During a regular or special session, the interim finance committee
44 may exercise the powers and duties conferred upon it pursuant to the
45 provisions of NRS 353.2705 to 353.2771, inclusive.

46 4. If the interim finance committee determines that a fundamental
47 review of the base budget of a state agency is necessary, it shall, by
48 resolution, notify the legislative commission of that finding for assignment



1 of the review to a legislative committee for the fundamental review of the
2 base budgets of state agencies established pursuant to NRS 218.5382.
3 **Sec. 9.** This act becomes effective on July 1, 2001.

