

Senate Bill No. 539—Committee on Human
Resources and Facilities

CHAPTER.....

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 state treasurer and the department of human resources; providing for the appointment and terms of office of certain officers of the task force; revising the program of subsidies for the provision of prescription drugs and pharmaceutical services to senior citizens; directing the development of an additional subsidized state program to provide prescription drugs and pharmaceutical services to senior citizens with low incomes and repealing the existing insurance-based 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:

Section 1. Chapter 439 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this act.

Sec. 2. *As used in sections 2 to 10, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Household income” has the meaning ascribed to it in NRS 361.820.*

Sec. 4. *“Income” has the meaning ascribed to it in NRS 361.823.*

Sec. 5. *“Senior citizen” means a person who is domiciled in this state and is 62 years of age or older.*

Sec. 6. *The department is responsible for the administration of the provisions of sections 2 to 10, inclusive, of this act and may:*

1. Prescribe the content and form of a request for a subsidy required to be submitted pursuant to section 9 of this act.

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

3. Adopt regulations to protect the confidentiality of information supplied by a senior citizen requesting a subsidy pursuant to section 9 of this act.

4. Adopt such other regulations as may be required to carry out the provisions of sections 2 to 10, inclusive, of this act.

Sec. 7. *The department of human resources shall, in cooperation with the department of taxation and the various counties in this state:*

1. Combine all possible administrative procedures required for determining those persons who are eligible for assistance pursuant to NRS 361.800 to 361.877, inclusive, and sections 2 to 10, inclusive, of this act;

2. Coordinate the collection of information required to carry out those provisions in a manner that requires persons requesting assistance to furnish information in as few reports as possible; and

3. Design forms that may be used jointly by the department of human resources, the department of taxation and the various counties in this state to carry out the provisions of NRS 361.800 to 361.877, inclusive, and sections 2 to 10, inclusive, of this act.

Sec. 8. *1. The department shall, within the limits of the money available for this purpose in the fund for a healthy Nevada, develop and carry out a program for senior citizens to provide prescription drugs and pharmaceutical services to them at a subsidized cost whereby the state will pay the difference between the copayment required by the program and the actual cost of the drug from the pharmacist. The department shall refer to this program as the "Senior Option Program" and cause it to be marketed under that name.*

2. Within the limits of the money available for this purpose in the fund for a healthy Nevada, a senior citizen who:

(a) Is not eligible for Medicaid; and

(b) Is accepted into the program that is made available pursuant to subsection 1,

is entitled to an annual grant from the trust fund to subsidize a portion of the cost of his prescription drugs and pharmaceutical services if he has been domiciled in this state for at least 1 year immediately preceding the date of his application and his household income is less than \$21,500.

3. The department may pay its costs for administering this program from the fund for a healthy Nevada and shall include as components of the subsidized program:

(a) A maximum annual application fee of \$25.

(b) A requirement that a generic drug be used to fill the prescription, unless the substitution of a generic drug for a drug with a brand name is specifically prohibited by the provider of health care who issued the prescription.

(c) A maximum required copayment for generic drugs of \$10 per prescription.

(d) A maximum required copayment for nongeneric drugs of \$25 per prescription.

(e) The formulary for the program must be the same formulary as is used for the state plan for Medicaid.

(f) The maximum limitation per year on the subsidy each person may receive under this program is \$5,000.

(g) Allow persons who are participating in the program to fill their prescriptions by mail.

(h) A maximum of \$100 as the amount of deductible expenses that may be required of participants before they are eligible to receive benefits under this program.

(i) The rebates from pharmaceutical manufacturers for drugs purchased through this program must be at least equal to the rebates provided for drugs purchased pursuant to the state plan for Medicaid and must be deposited in the fund for a healthy Nevada to support this program.

(j) A pharmacy benefits manager may be hired by contract to assist in the development and administration of this program, if deemed advisable and fiscally prudent by the department.

(k) The rates negotiated by the department or its representative for the prescription drugs sold by the pharmacies that agree to participate in this program must not be more than the rates charged to the department

under the state plan for Medicaid, if not the best and lowest prices available from the pharmacy to any customer.

4. If the Federal Government provides any coverage of prescription drugs and pharmaceutical services for senior citizens who are eligible for a subsidy pursuant to subsections 1, 2 and 3, the department may, upon approval of the legislature, or the interim finance committee if the legislature is not in session, change any program established pursuant to sections 2 to 10, inclusive, of this act and otherwise provide assistance with prescription drugs and pharmaceutical services for senior citizens within the limits of the money available for this purpose in the fund for a healthy Nevada.

5. The provisions of subsections 1, 2 and 3 do not apply if the department provides assistance with prescription drugs and pharmaceutical services for senior citizens pursuant to subsection 4.

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

(a) Illness;

(b) Disability; or

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

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

Sec. 9. *1. A senior citizen who wishes to receive a subsidy pursuant to sections 2 to 10, inclusive, of this act must file a request therefor with the department.*

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

3. The department shall, within 45 days after receiving a request for a subsidy, examine the request and grant or deny it.

4. The department shall determine which senior citizens are eligible to receive a subsidy pursuant to sections 2 to 10, inclusive, of this act and pay the subsidy in the manner set forth in the program.

Sec. 10. *1. The department shall deny any request for a subsidy received pursuant to sections 2 to 10, inclusive, of this act to which the senior citizen is not entitled.*

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

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

Sec. 11. *NRS 439.620 is hereby amended to read as follows:*

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

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

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

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

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

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

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

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

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

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

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

4. *Upon receiving a request from the state treasurer or the department for an allocation for administrative expenses from the fund pursuant to this section, the task force shall consider the request within 45 days after receipt of the request. If the task force approves the amount requested for allocation, the task force shall notify the state treasurer of the allocation. If the task force does not approve the requested allocation within 45 days after receipt of the request, the state treasurer or the department, as applicable, may submit its request for allocation to the interim finance committee. Except as otherwise limited by this subsection, the interim finance committee may allocate all or part of the money so requested. The annual allocation for administrative expenses from the fund, whether allocated by the task force or the interim finance committee must not exceed:*

(a) *Not more than 2 percent of the money in the fund ~~may be used~~, as calculated pursuant to this subsection, each year to pay the costs ~~of administering~~ incurred by the state treasurer to administer the fund ~~it~~ ; and*

(b) *Not more than 3 percent of the money in the fund, as calculated pursuant to this subsection, each year to pay the costs incurred by the department, including, without limitation, the aging services division of the department, to carry out its duties set forth in NRS 439.625 to 439.690, inclusive.*

For the purposes of this subsection, the amount of money available for allocation to pay for the administrative costs must be calculated at the beginning of each fiscal year based on the total amount of money anticipated by the state treasurer to be deposited in the fund during that fiscal year.

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

6. All money that is deposited or paid into the fund is hereby appropriated to the department and, except as otherwise provided in

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

Sec. 12. NRS 439.620 is hereby amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

4. Upon receiving a request from the state treasurer or the department for an allocation for administrative expenses from the fund pursuant to this section, the task force shall consider the request within 45 days after receipt of the request. If the task force approves the amount requested for allocation, the task force shall notify the state treasurer of the allocation. If the task force does not approve the requested allocation within 45 days after receipt of the request, the state treasurer or the department, as applicable, may submit its request for allocation to the interim finance committee. Except as otherwise limited by this subsection, the interim finance committee may allocate all or part of the money so requested. The annual allocation for administrative expenses from the fund, whether allocated by the task force or the interim finance committee must not exceed:

(a) Not more than 2 percent of the money in the fund, as calculated pursuant to this subsection, each year to pay the costs incurred by the state treasurer to administer the fund; and

(b) Not more than 3 percent of the money in the fund, as calculated pursuant to this subsection, each year to pay the costs incurred by the department, including, without limitation, the aging services division of the department, to carry out its duties set forth in NRS 439.625 ~~to 439.690, inclusive,~~ , 439.630, and sections 2 to 10, inclusive, of this act.

For the purposes of this subsection, the amount of money available for allocation to pay for the administrative costs must be calculated at the beginning of each fiscal year based on the total amount of money anticipated by the state treasurer to be deposited in the fund during that fiscal year.

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

6. All money that is deposited or paid into the fund is hereby appropriated to the department and, except as otherwise provided in paragraphs (c) and (d) of subsection 1 of NRS 439.630, may only be expended pursuant to an allocation made by the task force for the fund for a healthy Nevada. Money expended from the fund for a healthy Nevada must not be used to supplant existing methods of funding that are available to public agencies.

Sec. 13. NRS 439.625 is hereby amended to read as follows:

439.625 1. The task force for the fund for a healthy Nevada is hereby created. The membership of the task force consists of:

(a) Three members appointed by the majority leader of the senate, one of whom must be a senator and one of whom must be a member of a nonprofit organization dedicated to health issues in this state; ~~and~~

(b) Three members appointed by the speaker of the assembly, one of whom must be an assemblyman and one of whom must be a member of a nonprofit organization dedicated to health issues in this state; and

(c) Three members appointed by the governor, one of whom must have experience with and knowledge of matters relating to health care.

Each member appointed pursuant to this subsection must be a resident of this state and must not be employed in the executive or judicial branch of state government.

~~12-1~~ Each person who appoints members pursuant to *this* subsection ~~11~~ shall ensure that insofar as practicable, the members whom he appoints reflect the ethnic and geographical diversity of this state.

2. At its first meeting on or after July 1 of each odd-numbered year, the task force shall select the chairman and vice chairman of the task force from among the legislative members of the task force. Each such officer shall hold office for a term of 2 years or until his successor is selected. The chairmanship of the task force must alternate each biennium between the houses of the legislature.

3. For each day or portion of a day during which a member of the task force who is a legislator attends a meeting of the task force or is otherwise engaged in the work of the task force, except during a regular or special session of the legislature, he is entitled to receive the:

(a) Compensation provided for a majority of the members of the legislature during the first 60 days of the preceding session;

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

(c) Travel expenses provided pursuant to NRS 218.2207.

The compensation, per diem allowances and travel expenses of the legislative members of the task force must be paid from the legislative fund.

4. Members of the task force who are not legislators serve without salary, except that they are entitled to receive travel expenses provided for state officers and employees generally. The travel expenses of:

(a) A member of the task force who is an officer or employee of a local government thereof must be paid by the local government that employs him.

(b) Each remaining member of the task force must be paid from the legislative fund.

5. Each member of the task force who is an officer or employee of a local government must be relieved from his duties without loss of his regular compensation so that he may perform his duties relating to the task force in the most timely manner practicable. A local government shall not require an officer or employee who is a member of the task force to:

(a) Make up the time he is absent from work to fulfill his obligations as a member of the task force; or

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

6. The *legislative counsel bureau and the* department shall provide such administrative support to the task force as is required to carry out the duties of the task force. The state health officer shall provide such technical advice and assistance to the task force as is requested by the task force.

Sec. 14. NRS 439.630 is hereby amended to read as follows:

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

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

(1) Promote public health;

(2) Improve health services for children, senior citizens and persons with disabilities;

(3) Reduce or prevent the use of tobacco;

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

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

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

(c) Reserve not more than 30 percent of all revenues deposited in the fund for a healthy Nevada each year for direct expenditure by the department to pay for prescription drugs and pharmaceutical services for senior citizens pursuant to NRS 439.635 to 439.690, inclusive. *From the money reserved to the department pursuant to this paragraph, the department shall subsidize all of the cost of policies of health insurance that provide coverage to senior citizens for prescription drugs and pharmaceutical services pursuant to NRS 439.635 to 439.690, inclusive.*

The department shall consider recommendations from the task force for the fund for a healthy Nevada in carrying out the provisions of NRS 439.635 to 439.690, inclusive. The department shall submit a quarterly report to the governor , *the task force for the fund for a healthy Nevada*

and *the* interim finance committee regarding the general manner in which expenditures have been made pursuant to this paragraph and the status of the program.

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

- (1) Respite care or relief of family caretakers;
- (2) Transportation to new or existing services to assist senior citizens in living independently; and
- (3) Care in the home which allows senior citizens to remain at home instead of in institutional care.

The aging services division of the department shall consider recommendations from the task force for the fund for a healthy Nevada concerning the independent living needs of senior citizens.

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

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

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

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

(i) Develop policies and procedures for the administration and distribution of grants and other expenditures to *state agencies, political subdivisions of this state*, nonprofit organizations, universities and community colleges. A condition of any such grant must be that not more than 8 percent of the grant may be used for administrative expenses or other indirect costs. The procedures must require at least one competitive round of requests for proposals ~~+~~ *per fiscal year*.

(j) To make the allocations required by paragraphs (e) and (f) : ~~to~~ *subsection 1-;*

- (1) Prioritize and quantify the needs for these programs;
- (2) Develop, solicit and accept grant applications for allocations;
- (3) Conduct annual evaluations of programs to which allocations have been awarded; and
- (4) Submit annual reports concerning the programs to the governor and the interim finance committee.

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

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

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

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

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

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

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

(d) Award grants or other allocations;

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

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

5. The aging services division of the department shall submit each proposed grant which would be used to expand or augment an existing state program to the interim finance committee for approval before the grant is awarded. The request for approval must include a description of the proposed use of the money and the person or entity that would be authorized to expend the money. *The aging services division of the department shall not expend or transfer any money allocated to the aging services division pursuant to this section to subsidize any portion of the cost of policies of health insurance that provide coverage to senior citizens for prescription drugs and pharmaceutical services pursuant to NRS 439.635 to 439.690, inclusive.*

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

Sec. 15. NRS 439.630 is hereby amended to read as follows:

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

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

(1) Promote public health;

(2) Improve health services for children, senior citizens and persons with disabilities;

(3) Reduce or prevent the use of tobacco;

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

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

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

(c) Reserve not more than 30 percent of all revenues deposited in the fund for a healthy Nevada each year for direct expenditure by the department to pay for prescription drugs and pharmaceutical services for senior citizens pursuant to ~~NRS 439.635 to 439.690, inclusive.~~ *sections 2 to 10, inclusive, of this act.* From the money reserved to the department pursuant to this paragraph, the department shall subsidize all of the cost of policies of health insurance that provide coverage to senior citizens for prescription drugs and pharmaceutical services pursuant to ~~NRS 439.635 to 439.690, inclusive.~~ *sections 2 to 10, inclusive, of this act.* The department shall consider recommendations from the task force for the fund for a healthy Nevada in carrying out the provisions of ~~NRS 439.635 to 439.690, inclusive.~~ *sections 2 to 10, inclusive, of this act.* The department shall submit a quarterly report to the governor, the task force for the fund for a healthy Nevada and the interim finance committee regarding the general manner in which expenditures have been made pursuant to this paragraph and the status of the program.

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

- (1) Respite care or relief of family caretakers;
- (2) Transportation to new or existing services to assist senior citizens in living independently; and
- (3) Care in the home which allows senior citizens to remain at home instead of in institutional care.

The aging services division of the department shall consider recommendations from the task force for the fund for a healthy Nevada concerning the independent living needs of senior citizens.

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

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

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

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

(i) Develop policies and procedures for the administration and distribution of grants and other expenditures to state agencies, political subdivisions of this state, nonprofit organizations, universities and community colleges. A condition of any such grant must be that not more than 8 percent of the grant may be used for administrative expenses or other indirect costs. The procedures must require at least one competitive round of requests for proposals per fiscal year.

(j) To make the allocations required by paragraphs (e) and (f):

- (1) Prioritize and quantify the needs for these programs;
- (2) Develop, solicit and accept grant applications for allocations;
- (3) Conduct annual evaluations of programs to which allocations have been awarded; and

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

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

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

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

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

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

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

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

- (d) Award grants or other allocations;

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

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

5. The aging services division of the department shall submit each proposed grant which would be used to expand or augment an existing state program to the interim finance committee for approval before the grant is awarded. The request for approval must include a description of the proposed use of the money and the person or entity that would be authorized to expend the money. The aging services division of the department shall not expend or transfer any money allocated to the aging services division pursuant to this section to subsidize any portion of the cost of policies of health insurance that provide coverage to senior citizens for prescription drugs and pharmaceutical services pursuant to ~~NRS 439.635 to 439.690, inclusive.~~ *sections 2 to 10, inclusive, of this act.*

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

Sec. 16. NRS 439.665 is hereby amended to read as follows:

439.665 1. The department shall enter into contracts with private insurers who transact health insurance in this state to arrange for the availability, at a reasonable cost, of policies of health insurance that provide coverage to senior citizens for prescription drugs and pharmaceutical services.

2. Within the limits of the money available for this purpose in the fund for a healthy Nevada, a senior citizen who is not eligible for Medicaid and who purchases a policy of health insurance that is made available pursuant to subsection 1 is entitled to an annual grant from the trust fund to subsidize ~~the portion of~~ the cost of that insurance, *including premiums and deductibles*, if he has been domiciled in this state for at least 1 year immediately preceding the date of his application and his household income is ~~within one of the income ranges for which grants are provided pursuant to this subsection to the extent determined by the percentage shown opposite his household income on the following schedule:~~

Amount of Household		Percent of
Income Is Over	But Not Over	Cost of Insurance Allowable 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
		<i>not over \$21,500.</i>

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

4. *A policy of health insurance that is made available pursuant to subsection 1 must provide for:*

(a) *A copayment of not more than \$10 per prescription drug or pharmaceutical service that is generic as set forth in the formulary of the insurer; and*

(b) *A copayment of not more than \$25 per prescription drug or pharmaceutical service that is preferred as set forth in the formulary of the insurer.*

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

(a) *Illness;*

(b) *Disability; or*

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

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

6. *If the Federal Government provides any coverage of prescription drugs and pharmaceutical services for senior citizens who are eligible for a subsidy pursuant to subsections 1 to 5, inclusive, the department may, upon approval of the legislature, or the interim finance committee if the legislature is not in session, change any program established pursuant to NRS 439.635 to 439.690, inclusive, and otherwise provide assistance with prescription drugs and pharmaceutical services for senior citizens within*

the limits of the money available for this purpose in the fund for a healthy Nevada.

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

Sec. 17. NRS 439.670 is hereby amended to read as follows:

439.670 1. A senior citizen who wishes to receive a subsidy pursuant to NRS 439.665 must file a request therefor with the department.

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

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

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

Sec. 18. NRS 439.675 is hereby amended to read as follows:

439.675 1. The department shall deny any request for a subsidy received pursuant to NRS 439.670 to which the senior citizen is not ~~entitled or any amount in excess of that to which the senior citizen is~~ entitled.

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

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

Sec. 19. NRS 218.6827 is hereby amended to read as follows:

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

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

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

4. If the interim finance committee determines that a fundamental review of the base budget of a state agency is necessary, it shall, by resolution, notify the legislative commission of that finding for assignment of the review to a legislative committee for the fundamental review of the base budgets of state agencies established pursuant to NRS 218.5382.

Sec. 20. NRS 439.635, 439.640, 439.645, 439.650, 439.655, 439.660, 439.665, 439.670, 439.675, 439.680, 439.685 and 439.690 are hereby repealed.

Sec. 21. 1. The department of human resources shall:

(a) Periodically review the formulary that is covered by a policy of health insurance that is made available pursuant to NRS 439.635 to 439.690, inclusive, and ensure that the formulary includes prescription drugs and pharmaceutical services that senior citizens generally require; and

(b) File a report on December 1, 2002, with the governor and the director of the legislative counsel bureau setting forth:

(1) The number of senior citizens who are insured by a policy of health insurance that is made available pursuant to NRS 439.635 to 439.690, inclusive, and the number of those senior citizens who are receiving an annual grant from the fund for a healthy Nevada to subsidize the cost of that insurance; and

(2) Whether, based on the money available to the department of human resources for the period from January 1, 2002, to December 31, 2002, for providing subsidies to senior citizens pursuant to NRS 439.635 to 439.690, inclusive, the department had the financial ability to provide subsidies to at least 4,700 senior citizens and the coverage and benefits set forth in NRS 439.635 to 439.690, inclusive.

2. If the Governor determines that it is in the best interests of the state that the Senior Option Program set forth in sections 2 to 10, inclusive, of this act be implemented before January 1, 2003, to replace the provisions of NRS 439.635 to 439.690, inclusive, he shall issue a proclamation to that effect.

Sec. 22. 1. As soon as practicable after July 1, 2001, the task force for the fund for a healthy Nevada shall select:

(a) The chairman of the task force from among the members of the task force who are members of the senate; and

(b) The vice chairman of the task force from among the remaining legislative members of the task force.

2. Each officer selected pursuant to subsection 1 shall hold office for a term of 2 years or until his successor is selected.

Sec. 23. 1. On July 2, 2001, after reserving the amount of the administrative costs which may be allocated pursuant to subsection 4 of NRS 439.620 for fiscal year 2001-2002, the state treasurer shall allocate from the remaining amount of money in the fund for a healthy Nevada thirty percent to the department of human resources for expenditure pursuant to NRS 439.635 to 439.690, inclusive.

2. If applicable, on July 1, 2002, after reserving the amount of the administrative costs which may be allocated pursuant to subsection 4 of NRS 439.620 for fiscal year 2002-2003, the state treasurer shall allocate from the remaining amount of money in the fund for a healthy Nevada

thirty percent to the department of human resources for expenditure pursuant to NRS 439.635 to 439.690, inclusive.

Sec. 24. 1. This section and sections 11, 13, 14, 16 to 19, inclusive, 21, 22 and 23 of this act become effective upon passage and approval.

2. Sections 1 to 10, inclusive, and 12, 15 and 20 of this act become effective:

(a) Upon proclamation by the Governor pursuant to subsection 2 of section 21 of this act; or

(b) On January 1, 2003, if the report filed by the department of human resources pursuant to paragraph (b) of subsection 1 of section 21 of this act indicates either that:

(1) There are fewer than 3,500 senior citizens enrolled in and receiving subsidies pursuant to a program established pursuant to NRS 439.635 to 439.690, inclusive; or

(2) The annual allocation of money available to the department of human resources for the period from January 1, 2002, to December 31, 2002, to provide subsidies to senior citizens pursuant to NRS 439.635 to 439.690, inclusive, was not sufficient to provide at least 4,700 senior citizens with the subsidized insurance-based coverage and benefits set forth in NRS 439.635 to 439.690, inclusive.