

(REPRINTED WITH ADOPTED AMENDMENTS)
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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; revising the procedures for allocating money in the fund; 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 for the fund; increasing the maximum allowable subsidies under the program of subsidies for the provision of prescription drugs and pharmaceutical services to senior citizens; 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 paragraph (a) of subsection 5 of NRS***
5 ***439.620, the division shall, except as otherwise provided in subsection 3,***
6 ***award grants for existing or new programs which assist senior citizens***
7 ***with independent living, including, without limitation, programs which***
8 ***provide:***
9 ***(a) Respite care or relief for family caretakers;***
10 ***(b) Transportation to new or existing services to assist senior citizens***
11 ***in living independently; and***
12 ***(c) Care in the home which allows senior citizens to remain at home***
13 ***instead of in institutional care.***



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



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



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1 *(d) Twenty percent to the task force for the fund for a healthy Nevada*
2 *for allocation pursuant to paragraph (d) of subsection 1 of NRS 439.630.*

3 6. *Any amount of money that is allocated pursuant to subsection 4 or*
4 *5 and that is not expended by the end of any fiscal year for the purpose*
5 *for which it was allocated must remain allocated to the same person,*
6 *division, department, or task force to which it was allocated for the same*
7 *purpose for which it was allocated and does not revert to the state general*
8 *fund at the end of any fiscal year.*

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

11 ~~16.1~~ 8. All money that is deposited or paid into the fund is hereby
12 appropriated to the department ~~{and, except as otherwise provided in~~
13 ~~paragraphs (c) and (d) of subsection 1 of NRS 439.630,}~~ and may only be
14 expended pursuant to an allocation made ~~{by the task force for the fund for~~
15 ~~a healthy Nevada.}~~ *pursuant to this section.* Money expended from the
16 fund for a healthy Nevada must not be used to supplant existing methods of
17 funding that are available to public agencies.

18 **Sec. 5.** NRS 439.625 is hereby amended to read as follows:

19 439.625 1. The task force for the fund for a healthy Nevada is hereby
20 created. The membership of the task force consists of:

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

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

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

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

33 ~~12.1~~ Each person who appoints members pursuant to *this* subsection ~~11~~
34 shall ensure that insofar as practicable, the members whom he appoints
35 reflect the ethnic and geographical diversity of this state.

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

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

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

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



1 (c) Travel expenses provided pursuant to NRS 218.2207.
2 The compensation, per diem allowances and travel expenses of the
3 legislative members of the task force must be paid from the legislative
4 fund.

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

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

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

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

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

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

21 6. The department shall provide such administrative support to the task
22 force as is required to carry out the duties of the task force. The state health
23 officer shall provide such technical advice and assistance to the task force
24 as is requested by the task force.

25 **Sec. 6.** NRS 439.630 is hereby amended to read as follows:

26 439.630 1. The task force for the fund for a healthy Nevada shall:

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

30 (1) Promote public health;

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

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

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

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

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

42 (c) ~~Reserve not more than 30 percent of all revenues deposited in the~~
43 ~~fund for a healthy Nevada each year for direct expenditure by the~~
44 ~~department to pay for prescription drugs and pharmaceutical services for~~
45 ~~senior citizens pursuant to NRS 439.635 to 439.690, inclusive. The~~
46 ~~department shall submit a quarterly report to the governor and interim~~
47 ~~finance committee regarding the general manner in which expenditures~~
48 ~~have been made pursuant to this paragraph and the status of the program.~~



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1 ~~— (d) Reserve not more than 30 percent of all revenues deposited in the~~
2 ~~fund for a healthy Nevada each year for allocation by the aging services~~
3 ~~division of the department in the form of grants for existing or new~~
4 ~~programs that assist senior citizens with independent living, including,~~
5 ~~without limitation, programs that provide:~~
6 ~~— (1) Respite care or relief of family caretakers;~~
7 ~~— (2) Transportation to new or existing services to assist senior citizens~~
8 ~~in living independently; and~~
9 ~~— (3) Care in the home which allows senior citizens to remain at home~~
10 ~~instead of in institutional care.~~
11 ~~— (e) Allocate~~ *From the money allocated to the task force pursuant to*
12 *paragraph (c) of subsection 5 of NRS 439.620, allocate* for expenditure
13 ~~{not more than 20 percent of all revenues deposited in the fund for a~~
14 ~~healthy Nevada each year} money~~ for programs that prevent, reduce or
15 treat the use of tobacco and the consequences of the use of tobacco.
16 ~~{(f) Allocate}~~
17 *(d) From the money allocated to the task force pursuant to paragraph*
18 *(d) of subsection 5 of NRS 439.620, allocate* for expenditure ~~{not more~~
19 ~~than 20 percent of all revenues deposited in the fund each year for a~~
20 ~~healthy Nevada} money~~ for programs that improve health services for
21 children and for persons with disabilities.
22 ~~{(e)}~~ *(e)* Maximize expenditures through local, federal and private
23 matching contributions.
24 ~~{(h)}~~ *(f)* Ensure that any money expended from the fund for a healthy
25 Nevada will not be used to supplant existing methods of funding that are
26 available to public agencies.
27 ~~{(g)}~~ *(g)* Develop policies and procedures for the administration and
28 distribution of grants and other expenditures to *state agencies, political*
29 *subdivisions*, nonprofit organizations, universities and community
30 colleges. A condition of any such grant must be that not more than 8
31 percent of the grant may be used for administrative expenses or other
32 indirect costs. The procedures must require at least one competitive round
33 of requests for proposals.
34 ~~{(h)}~~ *(h)* To make the allocations required by paragraphs ~~{(e) and (f) of~~
35 ~~subsection 1-} (c) and (d):~~
36 (1) Prioritize and quantify the needs for these programs;
37 (2) Develop, solicit and accept grant applications for allocations;
38 (3) Conduct annual evaluations of programs to which allocations
39 have been awarded; and
40 (4) Submit annual reports concerning the programs to the governor
41 and the interim finance committee.
42 ~~{(i)}~~ *(i)* Transmit a report of all findings, recommendations and
43 expenditures to the governor and each regular session of the legislature.
44 2. The task force may take such other actions as are necessary to carry
45 out its duties.
46 3. The department shall take all actions necessary to ensure that all
47 allocations for expenditures made by the task force are carried out as
48 directed by the task force.



1 4. ~~{To make the allocations required by paragraph (d) of subsection 1,~~
2 ~~the aging services division of the department shall:~~
3 ~~—(a) Prioritize and quantify the needs of senior citizens for these~~
4 ~~programs;~~
5 ~~—(b) Develop, solicit and accept grant applications for allocations;~~
6 ~~—(c) As appropriate, expand or augment existing state programs for~~
7 ~~senior citizens upon approval of the interim finance committee;~~
8 ~~—(d) Award grants or other allocations;~~
9 ~~—(e) Conduct annual evaluations of programs to which grants or other~~
10 ~~allocations have been awarded; and~~
11 ~~—(f) Submit annual reports concerning the grant program to the governor~~
12 ~~and the interim finance committee.~~
13 ~~—5. The aging services division of the department shall submit each~~
14 ~~proposed grant which would be used to expand or augment an existing~~
15 ~~state program to the interim finance committee for approval before the~~
16 ~~grant is awarded. The request for approval must include a description of~~
17 ~~the proposed use of the money and the person or entity that would be~~
18 ~~authorized to expend the money.~~
19 ~~—6.†~~ The department, on behalf of the task force, shall submit each
20 allocation proposed pursuant to paragraph ~~{(e) or (f)}~~ **(c) or (d)** of
21 subsection 1 which would be used to expand or augment an existing state
22 program to the interim finance committee for approval before the grant is
23 awarded. The request for approval must include a description of the
24 proposed use of the money and the person or entity that would be
25 authorized to expend the money.
26 **Sec. 7.** NRS 439.635 is hereby amended to read as follows:
27 439.635 As used in NRS 439.635 to 439.690, inclusive, **and section 3**
28 **of this act**, unless the context otherwise requires, the words and terms
29 defined in NRS 439.640, 439.645 and 439.650 have the meanings ascribed
30 to them in those sections.
31 **Sec. 8.** NRS 439.665 is hereby amended to read as follows:
32 439.665 1. The department shall enter into contracts with private
33 insurers who transact health insurance in this state to arrange for the
34 availability, at a reasonable cost, of policies of health insurance that
35 provide coverage to senior citizens for prescription drugs and
36 pharmaceutical services.
37 2. Within the limits of the money available for this purpose in the fund
38 for a healthy Nevada, a senior citizen who is not eligible for Medicaid and
39 who purchases a policy of health insurance that is made available pursuant
40 to subsection 1 is entitled to an annual grant from the trust fund to
41 subsidize **all or** a portion of the cost of that insurance if he has been
42 domiciled in this state for at least 1 year immediately preceding the date of
43 his application and his household income is within one of the income
44 ranges for which grants are provided pursuant to this ~~{subsection}~~ **section.**
45 **3. A senior citizen described in subsection 2 who purchases a policy**
46 **of health insurance that is made available pursuant to subsection 1 is**
47 **entitled to an annual grant** to the extent determined by the percentage
48 shown opposite his household income on the following schedule:



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

~~13-1~~ 4. 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.~~

Sec. 9. 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 **and section 2 of this act**. 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. 10. 1. As soon as practicable after the effective date of this section, 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. 11. This act becomes effective on July 1, 2001.

